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Nicaragua Says Washington Must Promise Not to Attack

From Agency Dispatches
MANAGUA — The Nicaraguan government says it will not consider Secretary of State Alexander M. Haig Jr.'s terms for improving relations unless the United States promises not to attack Nicaragua.
"One cannot negotiate with a pistol on the chest," Interior Minister Tomás Martínez Borge said Wednesday. "One cannot negotiate when they are threatening us."
Mr. Borge was responding to the conflict Mr. Haig set on Monday for restoring U.S. aid to the leftist regime and curbing anti-Sandinista exiles training in the United States. First, said Mr. Haig, the Nicaraguan government must "get out of El Salvador," not acquire heavy offensive weapons and limit foreign military advisers.
"To negotiate there must be a clear guarantee that the United States is not going to attack our country," said Mr. Borge, speaking at the departure of North Korean Premier Li Jong Ok for Cuba after a three-day visit.

4 Dutch Newsmen Die In Salvadoran Fighting

United Press International
SAN SALVADOR — Four Dutch journalists, one recently questioned by police on his ties to the guerrillas, were killed Thursday during a clash between soldiers and rebels, the Dutch consul said.
The four journalists were members of a television crew working for Dutch radio and TV news who went to northern Chalatenango province early in the day.
They were reported killed near the town of El Paraíso, 36 miles north of San Salvador. There were no other details about how they died.
The slayings followed the delivery of death threats Wednesday to local journalists by the Anti-Communist Alliance of El Salvador, which listed 35 foreign and Salvadoran journalists marked for death. The four Dutch journalists were not on the list.
"This is the first group of pseudo-journalists in the service of international subversion who have been condemned to death by patriots of our organization," the previously unknown rightist group said.
Five other journalists have been killed covering El Salvador's civil war in the past two years, two others are missing and presumed dead and about 12 have been wounded.
The four Dutchmen were identified as Johannes Andrius Koster, a producer; Hans Lodewijk Ter Laag, a soundman; Jan Cornelis Ghuisper, a director, and Johannes Willemssen, a cameraman.
"The foreign minister gave me the information" about their deaths, said Koen Stencamp, a businessman who is the Netherlands' honorary consul in San Salvador. "The reports are unfortunately 99.9 percent confirmed."
Army sources in El Paraíso said the corpses of the four journalists were taken to the town's hospital.
Mr. Koster was called to Treasury Police headquarters last Thursday because his name and hotel room number had been found on a slip of paper on a guerrilla killed in a firefight a few days before in the southern city of Usulután.
He told police he had no idea how his name reached the guerrilla and asked whether the police action would hinder his future coverage of El Salvador.
"He was answered, emphatically, that the armed forces in no way interfere with the work of foreign journalists in El Salvador," a Defense Ministry spokesman said.
Senator Cites Secret Data
WASHINGTON (Reuters) — The chairman of the Senate Appropriations subcommittee on foreign operations, Sen. Robert W. Kasten Jr., has urged President Reagan to reveal secret intelligence he says provides proof of Cuban and Nicaraguan aid to the guerrillas in El Salvador.

Polish Group Accused Of Armed Resistance

By Brian Mooney
Reuters
WARSAW — Poland's military rulers accused opponents Thursday of organizing an armed resistance movement that they said was involved in killing a policeman, assaulting soldiers and stealing arms.
The charges by the military prosecutor's office, published in the army newspaper Zolnierz Wolnosci, were the most explicit reference to armed opposition since the military takeover three months ago.
The office said that some of the nine persons being investigated in connection with the shooting death last month of police Sgt. Zdzislaw Karwas were suspected of belonging to what it described as a criminal armed organization called "the armed forces of underground Poland."
"They are also suspected of two assaults on soldiers and of stealing guns, as well as killing the policeman," the military prosecutor's statement said.
The military authorities have referred before to an upsurge in terrorism but not to any specific group.
The suspended Solidarity union has repeatedly urged Poles against violent resistance, which Communists hard-liners could exploit to justify martial law.
The statement indicated no leap in the crackdown under which more than 400 persons have been imprisoned for union and opposition activity and 4,000 others are interned without trial.
The office said that in the last week, military prosecutors launched summary investigation proceedings against 100 persons and that 100 others were indicted by military courts. Forty-three were sentenced, it said.
The military launched a new broadside against the West in Zolnierz Wolnosci. The paper said that Communism and capitalism were engaged in "total ideological confrontation."
"Currently we are witnessing the sharpest ideological and propaganda confrontation since the time of the Cold War," the daily said in reference to the outcry in the West and sanctions against the Soviet bloc because of martial law in Poland.
Referring to current Soviet, East German and Polish military exercises in northern Poland, the paper said the Warsaw Pact states were constantly strengthening their protective shield.
There were still doubts, meanwhile, about whether the detained Solidarity leader, Lech Walesa, will be allowed home for the Christmas Sunday of his daughter in Gdansk.
"They have neither refused nor approved my request," his wife, Danuta Walesa, said.
"I am still waiting for a reply. But I am rather pessimistic," she said in reference to her personal appeal to the martial law leader, Gen. Wojciech Jaruzelski, for her husband's temporary release.

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Tax Cheats

The General Accounting Office says that Americans, incensed by higher taxes, are cheating more on their income tax returns. Page 3.

Interest Rates

West Germany, Switzerland and the Netherlands jointly cut interest rates, but dealers say the action did not have an impact on exchange markets. Page 7.

Aiding Steel

The EEC Commission has approved a \$470-million aid package for Belgian steel giant Cockerill-Sambre, but rejected the company's modernization plan. Page 7.

TOMORROW

Mixed Bag

The spectacles of the Calix Hook Dance Theater — fusions of dance, mime, theater, music and language — leave viewers groping for words like surreal, ritual, dreamlike, tension, or trying to nail down comparisons with Fellini and Buñuel. An article about the Paris-based troupe will appear in Weekend.



DOZIER TESTIFIES — Policemen with submachine guns escorted U.S. Brig. Gen. James L. Dozier in Verona, Italy, after he testified Thursday in the trial of his kidnappers. Page 2.

Israel Dissolves City Government In Major Arab City on West Bank

By William Claiborne
Washington Post Service
AL-BIREH, Israeli-occupied West Bank — Israel dissolved the municipal council of a major Arab city on the West Bank Thursday and replaced it with a military authority. It was the first such action in Israel's 14-year occupation of the territory.
About 100 Israeli troops raided the municipal offices of Al-Bireh, the West Bank's fourth-largest city, and evicted its mayor and city council, replacing it with a three-man military committee.
The takeover was ordered by Menachem Milson, head of the occupation government's civil administration, after Al-Bireh's mayor, Ibrahim Tawil, and his council refused to meet with Mr. Milson in the military government headquarters for a "working" discussion.
Mayors Call Strikes
"As the mayors of the West Bank's two largest cities, Nablus and Ramallah, declared protest strikes, a senior official in the Israeli Army command in Tel Aviv said that similar boycotts of the occupation government by other Arab municipal councils could also result in dissolution of local governments.
"I hope they will come to the conclusion and not also boycott the civil administration," the senior army official said.
In his order, Mr. Milson said the dissolution of the Al-Bireh government was "necessary for the maintenance of public order and the rule of law."
Army command officials said the Al-Bireh government had been taken over by Lt. Col. Morris Barkan and two other officers.
Mr. Tawil, the ousted mayor, said in a telephone interview that Mr. Milson's order was a "revenge action against the council because it refused to meet him on principle." Mr. Tawil said he believed the occupation government had invited the council to the meeting to set a trap and create a pretext for dissolving all West Bank governments headed by supporters of the Palestine Liberation Organization.
Almost all mayors on the West Bank have refused to discuss official municipal business with Mr. Milson, who replaced the West Bank-Gaza Strip military commander last year. But Al-Bireh was the first municipal council to formally vote on a boycott of the civil administrator. Other mayors have confined their meetings with Mr. Milson to ceremony or pleasanties.
Mr. Milson has sought to dilute the influence of militantly nationalist Palestinian mayors by creating "village leagues" headed by rural leaders considered by the Israeli government to be moderate. Jordan warned last week that membership in the leagues would be considered treason, a crime punishable by death, and some members have since resigned. Although Jordan has no authority on the West Bank, it could arrest people who return from there.
Earlier this month, Israel banned membership in the West Bank National Guidance Committee, which had dominated the Palestinian nationalist movement. Mr. Tawil was a member of the guidance committee.
Fijians Join Peace Force
TEL AVIV (Reuters) — About 470 Fijian infantrymen arrived Thursday to join the peacekeeping force being set up in the Sinai.
The 2,600-man force is designed to ensure that Israel and Egypt observe the terms of the treaty under which Israel is to hand back the last of the desert peninsula next month.

An armed Israeli soldier stood guard at the door of the Al-Bireh municipal council after it was dissolved by Israeli authorities.

OPEC Ministers Are Grim on Eve Of Critical Talks

By Steven Rattner
New York Times Service
VIENNA — Oil ministers from the Organization of Petroleum Exporting Countries gathered here Thursday for a meeting that many considered the most critical in the cartel's history.
On Friday, the representatives of the 13 member countries begin a last-ditch effort to find a way of preventing the worldwide oil glut from forcing the group to accept a general price reduction.
"OPEC has never witnessed such a crisis since it was created over 20 years ago," said Mana Said al-Oteiba, the oil minister of the United Arab Emirates and president of OPEC. "This is the real test really for OPEC and the challenge for OPEC to prove its solidarity and to prove to everyone in the outside world that OPEC is a useful organization."
That concern and the obvious lack of a strategy was reflected in the grim faces of arriving ministers and in the reluctance of several who have often been among the most talkative. Few expressed much optimism that the group would be able to reach a strong enough agreement on production cuts to support prices.
"I can't believe we can make a formal decision about production levels," said Humberto Calderón Berti, the Venezuelan minister of energy. Earlier this week, Sheikh Ahmed Zaki Yamani, the Saudi Arabian petroleum minister, said: "This will be the most difficult meeting I've attended."
One subject that did not appear to be on the agenda was the general level of OPEC prices, which are now clustered around the \$34 a barrel for Saudi light, the OPEC "marker" crude. The OPEC delegates appear determined to refrain from concerted price reductions for as long as possible.
"We have to stick to it at present," said Mr. Oteiba, referring to the \$34 benchmark price. "I don't think this is the ideal way to solve the market problem at present," he said of the possibility of a price cut.
Although the gathering was marked by unusual uncertainty even by OPEC standards, the most likely outcome appeared to be a restatement of the commitment to holding production by the 13 countries to 18.5 million barrels a day, as agreed upon by key members in Doha, Qatar, earlier this month.
Jan Seymour, editor of the Middle Eastern Economic Survey, circulated an estimate that OPEC production in March has fallen to 18.2 million barrels a day. That compares with production of 32 million barrels a day as recently as 1979.
OPEC members appear to believe, or at least hope, that production of 18.5 million barrels a day would prove sufficiently low. That belief is conditioned largely on a view by some analysts that Western oil companies' inventories are shrinking and that an economic recovery will increase demand.
Other experts believe any current inventory reduction is so small and any impending economic recovery so modest that OPEC would have to cut production substantially more to balance the market. Confusion over the numbers was evident among the ministers.
Mr. Calderón Berti argued that 18.5 million barrels would be enough, while Mr. Oteiba said further cuts would be necessary.
As usual, the key will almost certainly be Saudi Arabia, whose production has fallen from 8.5 million barrels a day to an estimated 7.5 million barrels in recent weeks. Other members, particularly those already running balance-of-payments deficits, are sure to call on the Saudi Arabians to make further cuts.
Another key country here is Nigeria. Should the meeting end without firm agreement, Nigeria, whose production of 1.2 million barrels a day is about half of the country's capacity, is considered almost certain to reduce its price of \$36.50 for its high-quality crude to a level closer to the \$31 price of comparable North Sea oil.

Iraq Admits Oil-Industry War Damage

By Edward Cody
Washington Post Service
BAGHDAD — Iraqi oil installations have suffered "a lot of damage" from Iranian artillery and air strikes and it will take at least five years to restore the petroleum industry to prewar efficiency, according to Deputy Oil Minister Abdul Monem Samourai.
The assessment marked a rare official glimpse at the extent of destruction to Iraqi installations since the war started in September, 1980, and the scope of repairs needed once the conflict ends.
"There has been a lot of damage, but we are in control," Mr. Samourai said in an interview. "Some of the damage we cannot even estimate, such as the [offshore] terminals. They are way out in the Gulf, which is a war zone. It would take a long time to estimate the damage."
Until recently, Iraqi officials have been playing down the seriousness of war damage and avoiding appraisals of its effect. Some Western diplomats speculated that the new frankness could be linked to Iranian demands for reparations as part of any peace settlement, in effect laying groundwork for equivalent Iraqi demands.
Despite the availability of new terminals on the Western market, Mr. Samourai estimated that Iraq would require from five to seven years to bring its industry back to a prewar level. Much would depend on the extent of damage to offshore facilities near Faw on the west bank of the disputed Shatt-al-Arab waterway as it flows into the northern end of the Gulf, he said.
Some bombings in the early days of the war, the offshore facilities have been unused and Iraq's oil exports through the Gulf have halted.
Mr. Samourai said Iraq is exporting about 900,000 barrels of crude oil a day through three pipelines that cross Turkey and Syria to the Mediterranean, far below the 3.4 million barrels a day it exported before the conflict closed off the Gulf.
He declined to say how much more Iraq could pump through the westward pipelines if the world market were able to absorb it, indicating only that it would be "a little more." Other sources said the pipelines' limit stands at about 1.4 million barrels a day.
At current pumping rates and prevailing prices, Iraq's exports are expected to bring in more than \$10 billion this year. But with an estimated \$24 billion already borrowed from other Gulf Arabs, and with a costly war proceeding alongside a giant development campaign, President Saddam Hussein's government is particularly upset at the threat of declining world oil prices.
Iraq strenuously pushed for the special meeting of the Organization of Petroleum Exporting Countries scheduled Friday in Vienna, seeking an OPEC-wide accord to halt price cutting or discounts skirting OPEC's benchmark price of \$34 a barrel.
In reviewing war damage, Mr. Samourai indicated that Iraqi oil refineries, pumping stations and loading terminals were inadequately protected at the outbreak of the war because the government did not expect them to become targets.
He said Iraqi officials were surprised by the first Iranian attack on the facilities, at a petrochemical plant near the southern city of Basra in the opening days of the conflict.
In addition to the Basra facilities and offshore installations in the Gulf, he said Iranian air attacks had caused serious damage to the Kirkuk complex of storage facilities and pumping stations in northern Iraq. But since the early stages of the war, Iraqi defenses have improved, he added.

Pershing-2 Missile Encounters Delays Despite Production Problems, U.S. Still Aims at '83 Deployment in Europe

By Walter Pincus
Washington Post Service
WASHINGTON — The Army has run into unexpected difficulties in developing the Pershing-2 missile, the heart of NATO's nuclear modernization program and a subject of the current weapons debate between the United States and the Soviet Union.
As originally conceived, transforming the present Pershing-1, with its 400-mile (640-kilometer) range, into the Pershing-2, with a 1,000-mile range, was going to be a relatively simple and inexpensive job.
Thus, when NATO members decided in December, 1979, to approve stationing of the Pershing-2 in Europe, the United States said it would be able to make the initial deployments in December, 1983.
However, in a letter to Congress last week, John O. Marsh Jr., the secretary of the Army, wrote that "the government and the contractor were overly optimistic that the extended range system would be a fairly simple Pershing variant. As the design of the system has matured, the manufacturing process has become more complex."
Because of political and diplomatic problems, that could arise from any delay in the Pershing-2, the Army is pushing ahead despite the technical difficulties. In public statements, Pentagon officials told NATO allies as recently as this week that the program is on schedule, according to a diplomatic source in Washington.
One illustration of the Pershing-2 problem was Mr. Marsh's statement that in the past year, the contractor, Martin Marietta, has had to increase the number of parts in the new missile by almost 15 percent.
Another was the Army's decision to delay from April to June the first testing of the Pershing-2 at its full range of 1,000 miles. The result was to cut development and operation tests from 28 to 18.
Mr. Marsh also reported that the 108 missiles and their spares would cost \$1.8 billion, \$600 million more than estimated in March, 1981.
Unique Political Status
The missile does, however, have unique political status, as the centerpiece of the NATO modernization program. Because it would be able to strike targets in the Soviet Union within eight minutes from planned bases in West Germany, it is also the weapon most observers believe drove the Russians to the bargaining table at Geneva.
To delay it, sources said Wednesday, would damage NATO and might make Moscow less forthcoming in the Geneva negotiations, which concern possible mutual reductions in intermediate-range missiles.
Deployment of the first 39 missiles in West Germany by late 1983 or early 1984 would require that a production decision be made in late June, 1983. Since the first two tests of the Pershing over its new, extended range will not take place until earlier that month, the production decision will have to be made with a minimum of detailed information.
Military Buildup Called 'Minimal'
WASHINGTON (WP) — A conservative committee that once counted President Reagan among its members has said the so-called "window of vulnerability" to Soviet missile attack that Mr. Reagan pledged to close actually "will open wider" over the next five years.
The assessment appeared in a report issued Wednesday by the Committee on the Present Danger. The study claimed that the president's \$1.6-trillion, five-year defense plan is still \$100 billion too low and "will not halt the unfavorable trends in the U.S.-Soviet military balance, let alone reverse them."
While refraining from criticizing the president directly, the report called Mr. Reagan's defense program "minimal."
The report compared the administration defense program with recommendations the committee made in 1980, and found the official levels of financing "clearly inadequate." It called for Mr. Reagan to move more rapidly toward the goal of spending 7 percent of the U.S. gross national product on defense.
Faced Growing Threat
The committee, a bipartisan private organization of 200 conservative specialists in foreign and defense policy, was formed in 1976 because its members were concerned that the United States faced a growing threat from Soviet military power. Almost 40 of its members have been named to positions in the Reagan administration, some at high levels. Mr. Reagan was a member until 1979, when, according to committee rules, he had to give up his membership upon announcing his candidacy for president.
The study was presented at a news conference by Charles E. Walker and Herbert Stein, two economists who served in the Nixon administration, and William F. Van Cleave, a California professor and defense specialist. Mr. Walker and Mr. Stein are now members of Reagan's economic policy advisory board.



The Pershing-2

U.S. Panel Says FAA Mismanaged Air Controllers, Offers Remedies

By Richard Witkin
New York Times Service

WASHINGTON — An administration-created team of management experts has issued a severe indictment of the Federal Aviation Administration's handling of employee relationships.

The report, issued Wednesday, said the mismanagement existed both before and after the start of the walkout of air traffic controllers last August. It warned that the morale problems of the past were re-emerging.

In a 150-page report, the group said that, as the growth of air traffic increased the pressures on controllers and their union became aggressive, the FAA had developed "a rigid and insensitive system of people management."

Style Cited
It expressed concern that the spirit of cooperation that emerged when the strike began was giving way to "a more heavy-handed supervision."

"A less directive, bureaucratic organizational style would have buffered the problem," the panel said. "A participative or collaborative style would have solved it."

The report warned the aviation industry that, "unless it wants a repetition of the events of 1981, it will have to drastically change its management style."

The panel also submitted an ambitious list of recommendations, including a program for better matching of people and control jobs, as well as smoothing work loads, lessening salary inequities and finding and training people with management talent.

The panel said, referring to the date the strike began, "was marked by a renewed spirit of dedication, hard work, cooperation, care and courtesy within and between employees at all levels in the FAA."

This asset is more powerful than any set of electronic gear. It is worth preserving, worth caring for, worth enriching in every possible way.

This asset appears to be slipping away from the FAA. To retain and enhance this renewed teamwork, an immediate and energetic effort is needed.

J. Lynn Helms, the head of the agency, welcomed the report, saying, "There is much to be done and we must get on with it."

It was Mr. Helms who, with Transportation Secretary Drew Lewis, took the initiative in asking a three-man team of experts to study the factors that had created employee problems in the FAA and to recommend remedies.

The group's chairman was Lawrence M. Jones, president of the Coleman Co., a Wichita, Kan., manufacturer of sailboats, heating and air-conditioning equipment and the Coleman lantern. Serving with him were Stephen H. Fuller, General Motors vice president for personnel administration and development, and David G. Bowers, research scientist at the University of Michigan Institute for Social Research.

agents, reminiscent of a "police state," to enforce the tax laws and that, as an alternative, the service is stepping up its effort to catch omissions of income from sources for which the agency has records, notably interest and dividends.

William J. Anderson, director of the general government division of the GAO, said studies in which citizens were granted anonymity show that 25 percent of all taxpayers "cheat somewhat on their returns."

"So it's a major problem," he said. "Extensive evidence is available to show that noncompliance among both corporate and individual taxpayers is a serious problem and is getting worse."

Describing methods used to evade taxes, the accounting office's study said "the use of overseas tax havens has grown rapidly in the past several years." Capitalizing on bank secrecy laws in such nearby foreign jurisdictions as the Bahamas and the British-run Cayman Islands, U.S. citizens have concealed some of their income in foreign trust accounts, Mr. Anderson said.

Other enforcement problems involve "the proliferation of [illegal] tax shelters" in the United States, with 248,000 tax returns being checked for possible use of such schemes, the office said.

The growth of the so-called "tax protester" movement in scattered parts of the country has posed additional problems, the report said.

WASHINGTON — In a bipartisan initiative, two members of Congress have offered a long-awaited, comprehensive proposal to restructure the nation's immigration law.

The bill differs in several important respects from President Reagan's proposals. It offers more generous terms for legalizing the status of illegal aliens, and contains stricter requirements for all job applicants, including citizens, to show valid identification.

The bill was introduced Wednesday in the Senate by Sen. Alan K. Simpson, Republican of Wyoming, and in the House by Rep. Romano L. Mazzoli, Democrat of Kentucky, the chairman of the immigration subcommittee of the Senate and House Judiciary committees.

The bill contains no guest-worker program such as that proposed by Mr. Reagan. But it would streamline the existing program for the admission of laborers from Mexico, Jamaica and other countries, permitting a future expansion of the program.

Sentences Prescribed
Under the bill, employers hiring illegal aliens would be subject to a \$1,000 fine and six months' imprisonment for conviction of any offense after the first two. These penalties would apply to all employers, even those with just one employee. Mr. Reagan's proposal would apply only to employers with four or more employees.

The bill would also provide for 70 administrative law judges to hear the backlog of asylum claims and deportation cases, and would forbid judicial review of claims denied. However, an alien held in a detention camp could still challenge his detention on constitutional grounds by seeking a writ of habeas corpus. That type of legal petition, used to seek the immediate release of a detainee, challenges authorities to justify his detention.

The Reagan administration termed the proposal a constructive effort, and William French Smith, the attorney general, emphasized the administration's commitment to a comprehensive revision of the immigration laws.

The bill contains no provision to regularize the status of illegal aliens who arrived in the United States after Jan. 1, 1980. But aliens who arrived before Jan. 1, 1978, could become permanent residents. Five years after becoming

permanent residents, they could apply for citizenship. Illegal aliens who arrived from Jan. 1, 1978, to Jan. 1, 1980, could become temporary residents and, after a two-year waiting period, could become permanent residents.

The Simpson-Mazzoli bill would give the president three years to develop and implement a secure system to determine whether job applicants are eligible to work in the United States. Meanwhile, employers would be asked to demand adequate identification from prospective employees, such as a U.S. passport, or a Social Security card or birth certificate and a driver's license or identification card issued by the state government or the immigration service.

WASHINGTON — The Voice of America will build a network of radio stations in Central America and the Caribbean to counteract Soviet and Cuban propaganda in the region, the administration has disclosed.

"We are involved in a war of ideas and of credibility. Our adversary is the Soviet Union and our weapon is the truth," Charles Z. Wick, director of the U.S. International Communication Agency, said in announcing the plan Wednesday. He told the House international operations subcommittee that he estimated the cost of the project at \$11.2 million.

Mr. Wick said the agency's recently begun propaganda effort, "Project Truth," was "refuting the massive Soviet campaign of disinformation and misinformation about us and our intentions in the world."

The project is not related to Radio Marti, a radio station modeled on Radio Free Europe that would broadcast only to Cuba. Congress must authorize the station and approve \$10 million in federal subsidies before it begins operating.

WASHINGTON — Prime Minister Robert Mugabe has ordered a Cabinet minister to rewrite the British-drafted constitution. The present document was approved by Mr. Mugabe and other parties at the British-chaired Lancaster House peace talks in London in December, 1979.

But newly appointed Legal and Parliamentary Affairs Minister Eddison Zvobgo, who will rewrite the constitution, said Wednesday that the document had been "imposed on us" by Britain, the colonial power until April 18, 1980.

He did not specify which parts of the constitution needed amending. But he said Mr. Mugabe's ruling Zimbabwe African National Union favored a change in the two-house Parliament — a National Assembly and Senate — and wanted an executive president rather than a prime minister.

WASHINGTON (UPI) — Mr. Reagan on Thursday apparently tried to soften his criticism of the media, while giving a speech to the National Association of Manufacturers.

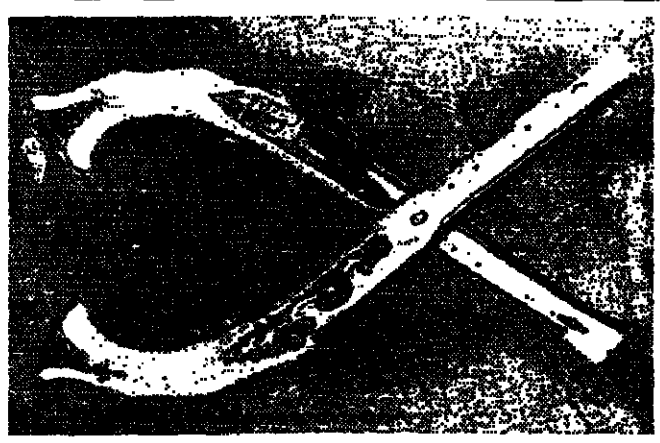
"I hope I didn't touch a nerve with the press a few days ago," he said. "Most of the time, the overwhelming number of them are doing a fine job. As a former reporter, columnist and broadcaster, I know how tough the job can be."

"I have always been, and always will be in complete agreement with Thomas Jefferson, who said if he had a choice between government without a press and the press without government, he would choose the latter," Mr. Reagan said.

But he also quoted Jefferson, the third president of the United States, as saying: "Editors should divide their papers in four sections: truth, probabilities, possibilities and lies."

"Presidents, even Jefferson, have their moods just like everyone else, including members of the press," he said, adding that he may have had "momentary frustrations or misunderstandings, but that's all it is."

WASHINGTON — An estimated 40,000 civil servants and other workers joined a one-day general strike Thursday, disrupting airline and telephone service. The Trade Union Congress called the strike to express sympathy for a communications union negotiating a contract with the telephone company.



The two pistols, overlaid with ivory, are valued at \$200,000.

2 of Catherine the Great's Pistols Found in N.Y. Police Warehouse

New York Times Service

NEW YORK — For years, the two ornate flintlock pistols were stored in the New York City police property warehouse, resting among the cheap handguns and other illegal firearms.

The weapons, overlaid with ivory and intricate gold floral patterns, were seized in a drug raid in the South Bronx almost 10 years ago. They were stored in the warehouse until recently, when they were marked for destruction along with hundreds of other handguns.

But police decided the lovely old pistols might be something special and had them inspected by experts from the Metropolitan Museum of Art. Their assessment: The matching weapons were prized hunting pistols of Catherine the Great, the empress of Russia from 1762 to 1796. And now they are expected to be loaned to the museum.

After identifying the pistols — which arms experts have valued at \$200,000 — police set out last fall to find the owner, and for four months they followed a twisting trail. But the trail led nowhere and in the end they were left with the pistols and a theory.

"We think one of the owners sold them off and the new owner was burglarized, and then the guns kind of knocked around the streets," a police official said.

The pistols were made and signed by Johan Adolph Grocke, the imperial gunmaker to the empress, Leonid Tarassuk, a research associate at the Metropolitan Museum, said. "Their quality is so very high, I am almost certain they could have been used by the empress herself."

"They are true works of art," Mr. Tarassuk said, "and there is no doubt as to their authenticity. The museum is going to get a very, very important acquisition."

Alternative Is Offered To Reagan Alien Plan

By Robert Pear

WASHINGTON — In a bipartisan initiative, two members of Congress have offered a long-awaited, comprehensive proposal to restructure the nation's immigration law.

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WASHINGTON — Prime Minister Robert Mugabe has ordered a Cabinet minister to rewrite the British-drafted constitution. The present document was approved by Mr. Mugabe and other parties at the British-chaired Lancaster House peace talks in London in December, 1979.

But newly appointed Legal and Parliamentary Affairs Minister Eddison Zvobgo, who will rewrite the constitution, said Wednesday that the document had been "imposed on us" by Britain, the colonial power until April 18, 1980.

He did not specify which parts of the constitution needed amending. But he said Mr. Mugabe's ruling Zimbabwe African National Union favored a change in the two-house Parliament — a National Assembly and Senate — and wanted an executive president rather than a prime minister.

WASHINGTON (UPI) — Mr. Reagan on Thursday apparently tried to soften his criticism of the media, while giving a speech to the National Association of Manufacturers.

"I hope I didn't touch a nerve with the press a few days ago," he said. "Most of the time, the overwhelming number of them are doing a fine job. As a former reporter, columnist and broadcaster, I know how tough the job can be."

"I have always been, and always will be in complete agreement with Thomas Jefferson, who said if he had a choice between government without a press and the press without government, he would choose the latter," Mr. Reagan said.

But he also quoted Jefferson, the third president of the United States, as saying: "Editors should divide their papers in four sections: truth, probabilities, possibilities and lies."

"Presidents, even Jefferson, have their moods just like everyone else, including members of the press," he said, adding that he may have had "momentary frustrations or misunderstandings, but that's all it is."

WASHINGTON — An estimated 40,000 civil servants and other workers joined a one-day general strike Thursday, disrupting airline and telephone service. The Trade Union Congress called the strike to express sympathy for a communications union negotiating a contract with the telephone company.

Senate Votes Proposal to Outlaw Disclosure of CIA Agents' Names

From Agency Dispatches

WASHINGTON — The Senate approved Thursday and sent on its way to almost certain enactment an unprecedented press restriction making it illegal to print the names of U.S. spies, even when those names are public knowledge.

On a vote of 90 to 6, the Senate sent the administration-backed bill to conference with the House, which approved a similar version last year, 354 to 46.

One of the bill's sponsors, Sen. Joseph Biden, Democrat of Delaware, predicted it would be declared unconstitutional in the courts because of a House-passed provision adopted Wednesday by the Senate.

The critical language in that amendment would make an author's "reason to believe" that disclosures would harm U.S. intelligence a criterion for prosecution. Opponents wanted a stricter standard of having to prove "intent" to "impair or impede" the CIA and related agencies.

Aimed at Newsletters
The bill, called the Intelligence Identities Protection Act, is part of an administration package to bolster the CIA's effectiveness and was aimed at newsletters such as *Counterparty* and *Covert Action* Information Bulletin, which sponsors of the measures said are "in the business of naming names" of agents.

Before passage, the Senate easily defeated an amendment that sought to water down the "reason to believe" standard, which passed by a surprisingly comfortable 55-39 margin after lobbying by Vice President Bush, a former CIA director.

Fourteen Democrats joined 41 Republicans in voting for the amendment.

The last attempt to make the bill more acceptable to civil liberties groups would have added as a criterion for prosecution whether the disclosure had as a "main direction" the exposure of secret agents.

Sen. Biden, the American Civil Liberties Union and news media groups all contended the bill was unconstitutional because it penalizes the publication of information that in many cases is neither classified nor harmful to national security.

John H.F. Shattuck, Washington director of the ACLU, said his group was prepared to challenge the amendment in court.

Impetus for the legislation came from the 1975 murder of CIA agent Richard Welch in Athens after his name was disclosed by *Counterparty*, and attacks in 1980 against Americans in Jamaica after they were similarly identified.

Often, agents' names can be deduced by comparing public diplomatic registers with biographies of embassy personnel. Agents sometimes make themselves

known in foreign capitals, and journalists learn their identities through interviews or other legal methods. And in most cases, critics argue, the spies are well known to both Soviet intelligence and local anti-American elements.

The bill would impose a three-year prison term and \$15,000 fine against journalists, scholars or anyone else who "in the course of a pattern of activities intended to identify and expose covert agents and with reason to believe that such activities would impair or impede the foreign intelligence activities of the United States . . ."

A former government official who did so could be imprisoned for five years and fined \$25,000, and a current government official who did so could be imprisoned for 10 years and fined \$50,000.

The House bill also would apply to the naming of former spies. That kind of provision could have put The New York Times in jeopardy for a series of recent articles on the sale of arms to Libya by former CIA agents Frank E. Terpil and Edwin P. Wilson.

Another recent story that might have been thwarted by the bill was the Boston Globe's and The Washington Post's publication of CIA documents seized by Iranian revolutionaries that named U.S. informants. Several years ago, The Post carried an article that named King Hussein of Jordan as having aided the CIA.

"In months, this is going to be in court," Sen. Biden warned. "And we're going to lose. And all those agents that thought they were covered are going to look up at the Hill and say, 'What kind of team am I playing on?'"

OTTAWA — Canada's opposition Progressive Conservative Party has decided to end a boycott that paralyzed the Parliament for 15 days.

Party leader Joe Clark said Wednesday the government had agreed to its two key demands. These were that a bill implementing the government's energy program be split into several parts, and that other business should be dealt with while the two sides discussed how it should be divided.

The Conservatives started the boycott March 2 to protest against what they called government abuse of Parliament in bundling several items of legislation into one 149-page energy security act, requiring only one vote at each legislative stage.

To end the boycott, a vote was taken to end the March 2 parliamentary day in the House of Commons so that further business could be conducted.

WASHINGTON — The Senate Judiciary Committee has unanimously approved the nomination of Clarence M. Pendleton as chairman of the U.S. Civil Rights Commission, after taking the unusual step of recalling him to testify about his income-tax returns.

Mr. Pendleton, 51, testified Wednesday that he did not report more than \$40,000 in expense-account income from the San Diego Urban League from 1975 to 1980, on the advice of his accountant.

But, he added, he is willing to pay any taxes on those funds if the Internal Revenue Service requires it.

Mr. Pendleton, who is chairman of the San Diego Urban League, would be the first black to head the commission. He is expected to win easy approval from the full Senate in the next few days. His nomination is opposed by the National Association for the Advancement of Colored People and several other civil rights groups, who have charged that he would not effectively represent minorities and others' civil rights.

U.S. State Department Aide
WASHINGTON — President Reagan said Wednesday he will nominate Gregory J. Newell as assistant secretary of state for international organization affairs.

There was no evidence of the anti-Catholic feeling aroused by this impending visit. In Liverpool last Friday, 100 Protestant militants disrupted a service led by the Archbishop of Canterbury, Robert Runcie, because of his plans to welcome John Paul.

LONDON — Monsignor Bruno B. Heim, the envoy of the pope, presented his credentials to Queen Elizabeth II Thursday, formally ending four and a half centuries in which the Roman Catholic Church lacked full diplomatic representation in Britain.

The long-expected rapprochement apparently was spurred by Pope John Paul II's decision to visit Britain May 28 to June 2.

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U.S. Reports Rise in Tax Cheating, Predicts \$80-Billion Revenue Loss

By Robert L. Jackson

WASHINGTON — Incensed over high taxes, Americans are cheating more on their income tax returns, costing the government \$80 billion annually in lost revenue, the General Accounting Office says.

Citing a decline in voluntary compliance with the tax law, the office — the auditing arm of Congress — said Wednesday that a dangerous trend has developed "toward contempt and abuse of the [tax] system."

In a report to a House Government Operations subcommittee, the office said the Internal Revenue Service needs more investigators to find fraudulent returns. It blamed the increase in cheating largely on the fact that inflation is pushing more Americans into higher tax categories — the phenomenon known as "bracket creep" — and on the growing complexity of federal tax laws.

The office stopped short of predicting a general tax revolt, but said that "growing numbers of people in this country are unwilling to comply voluntarily" with tax laws. Therefore, it said, "it is imperative that IRS have sufficient resources to maintain the integrity of our tax system."

The office said internal surveys by the revenue service show that taxes evaded by individuals will grow from \$20 billion in 1980 to \$70 billion by 1984. However, when corporations are included in the figure, the total revenue loss will amount to \$80 billion in 1982 alone, the report said.

Responding to the findings, Roscoe L. Egger Jr., the commissioner of the revenue service, told the subcommittee that his agency would soon devote more resources "to deal in a firm and fair way with problems of noncompliance."

As announced earlier by Treasury Secretary Donald T. Regan, the proposed revenue service budget for the year starting next October provides for 5,225 more agents and support employees, Mr. Egger said. It calls for spending an additional \$154 million "to assure that all taxpayers pay their fair share of the tax burden," he told the subcommittee.

Although the hiring of the additional agents will more than pay for itself, Mr. Egger said he could not offer hope that the \$80 billion "tax gap" can be significantly closed.

"Based on experience, the service estimates that this increased enforcement capability will result in approximately \$1.9 billion," he said.

Mr. Egger indicated that a major reason for the loss in tax revenue is the failure of some taxpayers to report income from stocks and bonds.

He told the subcommittee that he doubts Congress would approve the unleashing of an army of tax

agents, reminiscent of a "police state," to enforce the tax laws and that, as an alternative, the service is stepping up its effort to catch omissions of income from sources for which the agency has records, notably interest and dividends.

William J. Anderson, director of the general government division of the GAO, said studies in which citizens were granted anonymity show that 25 percent of all taxpayers "cheat somewhat on their returns."

"So it's a major problem," he said. "Extensive evidence is available to show that noncompliance among both corporate and individual taxpayers is a serious problem and is getting worse."

Describing methods used to evade taxes, the accounting office's study said "the use of overseas tax havens has grown rapidly in the past several years." Capitalizing on bank secrecy laws in such nearby foreign jurisdictions as the Bahamas and the British-run Cayman Islands, U.S. citizens have concealed some of their income in foreign trust accounts, Mr. Anderson said.

Other enforcement problems involve "the proliferation of [illegal] tax shelters" in the United States, with 248,000 tax returns being checked for possible use of such schemes, the office said.

The growth of the so-called "tax protester" movement in scattered parts of the country has posed additional problems, the report said.

WASHINGTON — In a bipartisan initiative, two members of Congress have offered a long-awaited, comprehensive proposal to restructure the nation's immigration law.

The bill differs in several important respects from President Reagan's proposals. It offers more generous terms for legalizing the status of illegal aliens, and contains stricter requirements for all job applicants, including citizens, to show valid identification.

The bill was introduced Wednesday in the Senate by Sen. Alan K. Simpson, Republican of Wyoming, and in the House by Rep. Romano L. Mazzoli, Democrat of Kentucky, the chairman of the immigration subcommittee of the Senate and House Judiciary committees.

The bill contains no guest-worker program such as that proposed by Mr. Reagan. But it would streamline the existing program for the admission of laborers from Mexico, Jamaica and other countries, permitting a future expansion of the program.

Sentences Prescribed
Under the bill, employers hiring illegal aliens would be subject to a \$1,000 fine and six months' imprisonment for conviction of any offense after the first two. These penalties would apply to all employers, even those with just one employee. Mr. Reagan's proposal would apply only to employers with four or more employees.

The bill would also provide for 70 administrative law judges to hear the backlog of asylum claims and deportation cases, and would forbid judicial review of claims denied. However, an alien held in a detention camp could still challenge his detention on constitutional grounds by seeking a writ of habeas corpus. That type of legal petition, used to seek the immediate release of a detainee, challenges authorities to justify his detention.

The Reagan administration termed the proposal a constructive effort, and William French Smith, the attorney general, emphasized the administration's commitment to a comprehensive revision of the immigration laws.

The bill contains no provision to regularize the status of illegal aliens who arrived in the United States after Jan. 1, 1980. But aliens who arrived before Jan. 1, 1978, could become permanent residents. Five years after becoming

permanent residents, they could apply for citizenship. Illegal aliens who arrived from Jan. 1, 1978, to Jan. 1, 1980, could become temporary residents and, after a two-year waiting period, could become permanent residents.

The Simpson-Mazzoli bill would give the president three years to develop and implement a secure system to determine whether job applicants are eligible to work in the United States. Meanwhile, employers would be asked to demand adequate identification from prospective employees, such as a U.S. passport, or a Social Security card or birth certificate and a driver's license or identification card issued by the state government or the immigration service.

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United Press International

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Reagan and The Bomb

"Counting counting they were all the time. They had iron then and big fire.... They had machines at numbers up. They fed them numbers and they fraction out the Power of things. They had the Nos. of the rain bow and the Power of the air all work out with counting which is how they got boats in the air and pictures on the wind.... They put in the Big 1 and...there come a flash of light then bigger nor the wool world and it ternet the nite to day. Then every thing gone black. Nothing only nite for years on end...."

That's the way civilization ended in Russell Hoban's remarkable novel "Riddley Walker." Modern literature is punctuated with other portraits of The Bomb, such as "On the Beach" and "Dr. Strangelove." Art and science, fact and fiction have drilled it into us for years: Nuclear weapons can be hazardous to our health.

Yet it is all arising anew. U.S. society seems to be rediscovering its own mortality. The New Yorker recently devoted 90,000 words to "The Fate of the World" by Jonathan Schell. New England town meetings vote decisively against nuclear armaments. Half a million Californians sign weapons-free petitions. Senators Kennedy and Hatfield propose freeze legislation, supported by 148 other members of Congress.

Why, 37 years into the Atomic Age, the sudden rush of concern? Has the European peace movement crossed the Atlantic? Is it that a new generation has grown up ignorant of Strangelove? Have older generations failed fully to appreciate the risks? Maybe; but the polls suggest a clearer explanation for why so many people have become so alarmed about The Bomb: President Reagan.

During the 1980 campaign, Reagan ably evaded the tag of nuclear risk-taker. Only 3 voters in 10 said yes, he was likely to get America into a war. But after his first year in office, almost half said yes.

That's hardly surprising given the administration's saber-rattling toward the Russians and the more specific talk of limiting and somehow surviving nuclear war. Reagan won applause last fall when he finally promised to revive the SALT talks, renamed START. But

START hasn't started and probably can't before June. If it had started, much of the present nuclear freeze movement might never have developed.

All of which creates two questions: How justified is the alarm and agitation? Why hasn't Reagan done more to allay it?

Our deepest hunch is that there are no new grounds for alarm. Reagan knows that nuclear war is not winnable. The occasional talk of limited strategic war is posturing. But hunches do not comfort people made uneasy about any posturing near the nuclear button. More genuine reassurance can be found in Reagan's behavior.

He remains tenaciously attached to extraordinary increases in military spending. Still, for all the growing, his conduct concerning the Russians has been tame.

Jimmy Carter imposed a grain embargo on the Kremlin as punishment for Afghanistan. What did the ferocious Reagan do about it? He lifted it. What has the ferocious Reagan done to retaliate for martial law in Poland? He hasn't even imposed credit controls. What has he done about that "unequal" and "unverifiable" SALT-2 treaty? Though it's still unratified, he has made a quiet deal with Moscow to observe it.

He seems determined to look tough, whatever the political price. He knows what 500,000 freeze signatures mean in California. Yet his administration's only response to all the alarm is for Secretary Haig to denounce the freeze proposal as "devastating." Haig may be right about the technical merits. But so what? How many freeze supporters know the intricacies of arms control? To dwell on them is to miss the point.

The problem is not nuclear but political. The freeze movement members are not lobbyists pressing for a specific piece of legislation. They are people, ordinary citizens, pressing for something much less intricate. They want to put nuclear restraint back on the track, to give diplomacy, and peace, a chance. The wonder is that the Reagan administration seems so determined to take the other side.

THE NEW YORK TIMES.

Wall Street Unbelievers

U.S. Treasury Secretary Donald T. Regan went to New York last week to confront the financial crowd in its lair. "Why don't you believe?" he asked one audience in exasperation. The high interest rates, he suggested, are owed to an irrational psychology generated by misplaced fears that federal deficits will make borrowing more difficult. That's all wrong, he argued, because the administration's program is going to encourage people to save enormous amounts of money. There will be enough savings, according to the secretary, to accommodate everybody who wants to borrow. But meanwhile, Wall Street has spooked Congress with all its keening and wailing over the deficits.

Mr. Regan might as well have spared himself the trouble of the trip. This week the interest rates twitched upward again, and the formidable Henry Kaufman of Salomon Brothers went down to Washington to tell the House Budget Committee what was wrong with Mr. Regan's savings argument. Deficits have to be financed out of savings, and Mr. Kaufman sees no indication that savings will rise as fast as the federal deficits over the next several years. It could happen only if there were a boom in business investment to push the economy. But Mr. Kaufman finds it hard to think that there will be an investment boom when interest rates are unusually high and, because of the recession, utilization of industrial capacity is low. That

is why Mr. Kaufman does not believe. He's hardly alone. It's difficult to find anybody who sees much chance of the strong recovery that the administration keeps predicting for the latter half of the year. Business activity will pick up sometime in late spring, presumably, and it will get a further boost from the income tax cut in July. But an income tax cut also means a sharp increase in the federal deficit, and the Treasury's need to borrow. That's the point at which the loose budget policy collides again with the tight money policy, once more forcing up interest rates. If neither policy is changed, it is quite possible that the economy will be slowing down, rather than speeding up, through the autumn ahead.

Why did interest rates move up this week? Because people in the markets expect them to move up next summer, and there's a bit of anticipatory pushing and shoving going on. People keep saying that the rates are beyond explanation, and perhaps that's true in terms of rigorous analysis. But they become less inexplicable if you remember that the financial markets are now dominated by people who, in the 1970s, lost a lot of money — their own money, their companies' money, their clients' money — by underestimating future rises in inflation and interest rates. Whatever mistakes they may make this year, they don't intend to make that one again.

THE WASHINGTON POST.

Why Not Bazookas?

Let's have a round of applause — or ammunition — for the brave little city of Kennesaw, Ga., soon to be the pistol-packing capital of the world. What better way to scare off bad guys and attract attention than to enact an ordinance requiring the head of every household to "maintain a firearm, together with ammunition therefor." The only concern of any peace-loving, firearm-owning resident now is what weapon to choose — and the possibilities are almost limitless.

If the council members of Kennesaw really want to send a message to the rest of the United States, they should require top-of-the-line weaponry in every household — the best every resident's defense budget can buy. Why truck with puny little handguns or clumsy cannons? And if Kennesaw is not quite ready for time-primed missile silos on every front lawn, surely the World War II bazooka could do a bang-up job on any unannounced outsiders.

There is some question as to whether only heads of households should be required to

load up — since these could leave spouses and offspring in jeopardy in the event of an intramural attack or a dispute over who constitutes a head and who the body. Better to arm everybody with equalizers and let the chips fall wherever they may.

Kennesaw Police Chief Robert Ruble and others who support the ordinance note that the action was prompted by a recent ordinance passed in Morton Grove, Ill., that bans the possession of handguns by all residents there except police and military personnel, collectors and gun clubs. Says Chief Ruble, "They can forward all their guns from their police department to our police department. We'll be more than happy to accept them."

Though all this may obviate the need for a paid police force in Kennesaw, the chief is on to something constructive: Why not send all the handguns in America to Kennesaw? That way, you would know where they were, and anyone who wanted to live in an arsenal of concealable weapons could go along.

THE WASHINGTON POST.

March 19: From Our Pages of 75 and 50 Years Ago

1907: Riviera Dust Bowl

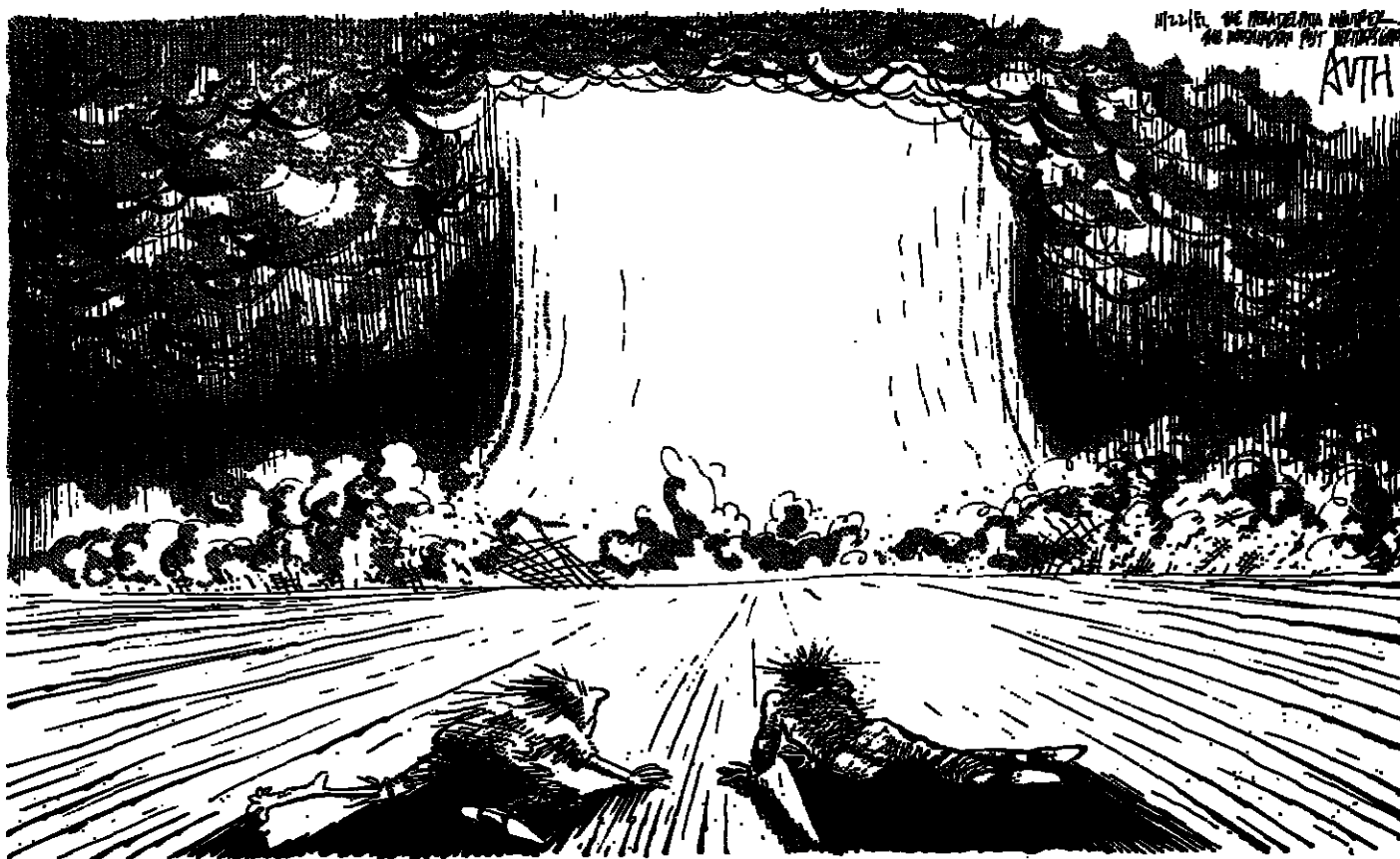
MONTE CARLO — If any one part of Europe is more interested in settling the dust problem than any other, it is surely the Riviera. During the season automobile traffic is so intense, the roads are habitually so dry, that those who have villas along the main roads need some dust-preventive at all hours of the day and night. At Beaulieu and one or two other points along the coast, notably the Promenade des Anglais at Nice, the authorities have settled the question by applying goudronite to the road surface, and this year other localities are either doing the same thing or laying their plans to do so. All the streets of Monaco with a slope of not more than 4 to 5 percent have been treated since 1903.

1932: Bipartisan Tax Deal

WASHINGTON — In one of the wildest sessions the House has seen in years, members of both parties revolted against leaders and voted 121 to 84 for the imposition of wartime surtaxes on big incomes. The action strikes at the nation's wealthy, placing on them the burden of making up the treasury deficit. Opponents of the general sales tax provision, which would impose an equal burden on rich and poor alike, were jubilant over their victory in the first show of strength on the new revenue bill. The levy found supporters from Republican and Democratic ranks. It provides for a graduated surtax from 40 percent on incomes above \$100,000 to 65 percent for those above \$5 million.

No Answer

Four years ago, at a conference on increasing employment in rural Java, Gen. Suharto asked his assembled U.S.-educated technocrats: "What I want to know from you is, how?" He has not had an answer. These men have produced some economic miracles since they took over in partnership with Sukarno's soldiers in 1966, but they seem to have run out of ideas. Despite widespread corruption and the collapse in 1975 of Per-



"The Other Zero Option."

U.S. Must Challenge the Threat by Brezhnev

By Joseph Kraft

WASHINGTON — A sudden turn of events has handed the Reagan administration a golden opportunity to cut a good deal with Moscow on arms control. For Leonid Brezhnev has coupled an offer that has been topped with a threat that has to be challenged.

Washington is thus in a rare position to combine negotiations with a show of strength. The requirement is a specific, early offer for mutual reductions of intercontinental weapons — that is, a follow-up to the SALT-2 treaty.

Until Brezhnev's latest statement, the Reagan administration was on the defensive in dealing with Russia. At the same time there was pressure, first from the European allies and increasingly from dovish opinion in the United States, for a more flexible U.S. position on arms control. President Reagan eased the pressure somewhat when he outlined, in a speech Nov. 18, the U.S. position for negotiations with Russia on intermediate-range nuclear weapons based in Europe. He said the United States would cancel plans to deploy 572 Pershing and Cruise missiles on the Continent if the Russians agreed to scrap the 900 or so SS-20s they have aimed at Western Europe.

But the yearnings for arms control were satisfied by that so-called zero-based proposal for only a brief period. Recently there has been more pressure from Europe for a U.S. position that included intercontinental weapons. To that there was added last week a congressional

resolution by Senators Edward Kennedy and Mark Hatfield calling for negotiation of an immediate halt to the nuclear arms race.

These demands on the Reagan administration for more concessions provided the backdrop for the Brezhnev statement. The Soviet leader first reiterated, in somewhat more formal fashion, a freeze proposal that dovetailed perfectly with the Kennedy-Hatfield resolution. He said that "the Soviet leadership has taken a decision to introduce unilaterally a moratorium on the deployment of medium-range nuclear armaments in the European part of the U.S.S.R." He called on the United States and its allies to follow suit — but, as President Reagan observed, that would "lock in" Russia's enormous advantage in nuclear weapons on the Continent.

'Analogous Position'

To that offer, Brezhnev added — for the first time at his level — a distinct threat as to what Russia would do if NATO went ahead with the deployment of the Cruise and Pershing missiles: "There would arise a real additional threat to our country and its allies from the United States. This would compel us to take retaliatory steps that would put the other side, including the United States itself, in our own territory, in an analogous position."

The general nature of that threat admits no doubt. The use of the word "analogous,"

moreover, suggests that the Soviet leader has in mind subjecting the United States to the menace of intermediate-range nuclear weapons. Such weapons could reach U.S. territory only if based in Cuba.

But three times — under the Kennedy administration during the missile crisis of 1962 and under the Nixon and Carter administrations in lesser episodes — Washington has exacted from Moscow a pledge not to place nuclear weapons in Cuba. The Reagan administration cannot allow even an implicit threat to that understanding to go by.

The heavy odds are that Moscow will once more climb down on using Cuba. But that, of course, is only half the battle. The great opportunity is to use the occasion to advance the arms control negotiations from the domain of intermediate missiles in Europe to the area of intercontinental weapons.

The elements of a deal are obvious. The United States can ask the Russians to scrap their massive nuclear blockade — the SS-18s especially. In return Washington would cancel projects to build such new weapons as the B-1 bomber or the MX missile.

The riposte to Brezhnev would be that point to complete. The United States would be out front on arms control proposals. Russia would be on the defensive. It is possible — even likely — that there would be true progress in reducing arms and making the world a safer place.

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Is the World Bank 'Quietly Withering Away'?

By Jonathan Power

LONDON — Could one of those mighty institutions, the creations of John Maynard Keynes and John White at Bretton Woods, N.H., in 1944 — the World Bank and the International Monetary Fund — wither away? To raise the question may seem ridiculous: The World Bank dispenses \$12 billion of loans a year and the IMF is accepted for better or worse as the world's financial policeman.

Yet increasingly in Europe and the Third World, the feeling is that the gradual undermining of these institutions by the United States has gone so far that more of the same would begin to make nonsense of them.

While it is possible to argue that, under the astute leadership of the French managing director of the IMF, Jacques de Larosiere, the IMF has rebuilt some of its strength, the World Bank seems to have been on a downward course for the best part of six years. If there is a benchmark, it is the tenure of William Simon as U.S. Treasury secretary under President Nixon and Ford. Simon was passionately hostile to the bank, not least because he felt that its

president, Robert McNamara, was too close to OPEC, courting the new oil rich to recycle their newly acquired dollars through the bank rather than concentrating on breaking up the cartel.

The advent of the Carter administration momentarily lightened the gloom, and U.S. lending to the bank increased initially. But Congress, dominated by a coalition of some liberals attempting to force human-rights criteria on the bank's lending program and conservatives seeking to reduce its power, succeeded in constraining its growth.

The bank's lending operations were barely keeping pace with global inflation and certainly not rising to compensate for the increasingly severe development problems of the Third World as it confronted higher oil prices, falling commodity prices and more protected markets.

This all came to a head over the bank's desire to give its first loan to Communist Vietnam, for an agricultural project in a famine area. In the ensuing uproar, the bill to replenish the funds of the bank's

soft-loan wing, the International Development Agency, was killed. The Reagan administration has continued the onslaught. It has used its muscle to extend Congress' squeeze on the bank. This applies particularly to its low-interest IDA loans, which are often blended with the mainstream bank lending to keep down the overall interest rate. It has also made it clear that it is not going to increase the bank's paid-in capital.

This is why the bank's former head of policy planning, Mahbub ul-Haq, who is going back to Pakistan to be minister of economic planning, talks about the bank "quietly withering away." What is the point, he asks, of having an institution that is no longer an intermediary between the commercial banks and the developing countries? There is no point in new bank president A.W. Clausen's remedy of going to the private market for funds unless the bank can convert them into something more attractive by lowering the interest rates and extending their terms.

One way out would be to persuade the United States to relax its grip. OPEC and Western Europe could make a deal with the bank from those of the United States. These countries lend to the bank in a fixed ratio to U.S. lending. When the United States was the pacemaker in the 1950s and '60s the link was invaluable. Now the cut by the United States of \$300 million for the IDA means a total shortfall of \$1.5 billion as the Europeans and OPEC proportionately match the cuts.

Once unliking has been achieved, Europe and OPEC should push for a more realistic share of the organizational vote to reflect their new economic strength. The United States has 21 percent of the vote, which enables it to veto major structural changes. This reflected a fair share of U.S. power after World War II, but it does not in 1982.

Major Defaults

If this does not happen, because of U.S. resistance or European and OPEC feebleness, what then? Mahbub ul-Haq predicts that, by the end of the 1980s, there will be a push to take up one of the major recommendations of the Brandt North-South report: a world development fund, independent of the World Bank and IMF.

This could be triggered by a crisis in the world banking system. One or two major defaults would drive home the need for revitalizing the original Keynesian concept of an international institution as a bridge between the commercial world and the developing world. This new institution could seek — as the Brandt report suggested — to base its funds not on the changing whims of governments but on automatic revenues paid through a system of international taxation on such things as use of the seabed, air traffic and the arms trade.

The pressures on developing countries' finance have never been so severe. A continuation of high interest rates and low demand could push a major debtor country like Brazil or Peru into serious financial difficulties. If this happened, the ferment that produced the original Bretton Woods institutions might be repeated — but with rather different results.

The writer is editorial adviser to the Independent Commission on Disarmament and Security Issues.

Richard Critchfield is the author of "Villages" and writes about villages for The Economist. He contributed this article to The New York Times.

Herald Tribune

John Hay Whitney (1904-1982)

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Letters

ICA Speaker Program

Fred Warner Neal's article "Progressive Jeopardizes Cultural Exchange" (IHT, March 17) is long on personal piety but short on accuracy.

Prof. Neal seems to contend that he was entitled to be a speaker for the U.S. International Communist Education Agency because he is a scholar of international relations. To set the record straight, Prof. Neal offered to speak in Yugoslavia, or anywhere else we might want to send him, under U.S. sponsorship. He proposed to talk about the state of East-West relations.

His indignation at being asked whether he supports administration policy shows that he does not understand why we sponsor speakers abroad. The program is Communist studies, not traveling academics but an instrument of foreign policy.

Our posts request speakers to fill a particular need. They work hard making contacts to bring in an audience for a purpose. At the time the professor planned to be traveling, the administration was less than a year old and all of our posts were calling for speakers who could explain the new policies to local opinion-makers.

In Eastern Europe, where Prof. Neal was going, our public affairs officers specialize in gathering small, sophisticated audiences to hear information not available in their controlled media. Having invited an audience to hear knowledgeable advocacy of U.S. policy, their credibility is at stake if the speaker cannot deliver.

The program officer explained to the professor that speakers were needed who could present the case for new U.S. policies and asked if he would be comfortable in that role. Prof. Neal says he couldn't support administration policy because he didn't understand it. Why would we sponsor him to make the case for a policy he doesn't understand?

His claim that there is a "political climate test" is nonsense. We promote Democrats, Republicans, liberals, conservatives, centrists, journalists, musicians, architects, designers, artists, movie stars and economists. We never inquire about their political affiliation. When their task will involve explaining current U.S. policy, we do ask them how they feel about it. And that should apply for whatever administration is in office.

It is true that prior administrations have tended to sponsor scholars' travel simply to display the pluralism of American scholars. Prof. Neal was a beneficiary of that tendency. However, we feel that funding for such a general purpose is more appropriately found in the Fulbright program and other academic exchanges, both public and private. Those grants allow longer stays and a more genuine foreign experience with American scholarship than does speakers' program.

We have had many calls from reporters who have been contacted by disappointed academics unable to understand this distinction. Our spokesmen have not been told to "stonewall it," as Prof. Neal claims, but have been cheerfully and fully explaining this matter.

CHARLES Z. WICK, Director, ICA, Washington.

Nicosia 'Green Line'

One grave inaccuracy mars Marvin Howe's otherwise factual report (IHT, March 17) on efforts toward reconciliation in Cyprus: The "green line" in Nicosia only "became a battlefield" on the day Turkish troops invaded the island (July 20, 1974), not before. The fighting did not, therefore, "lead to" the Turkish invasion, but was a direct consequence of it.

P. HADJIYANNIS, Press Counselor, Embassy of Cyprus, Paris.

Holy Emperors

Everybody enjoyed John Russell's musings on fireplaces (IHT, Feb. 22), but pedants like me must raise an eyebrow when he mentions the old French winter suffered by Julian the Apostate — "soon to be Holy Roman emperor" — in the first half of the fourth century. To fight a minor war, it was the second half. Julian was in France a few years between 355 and 360. He ruled briefly (361-363) as Roman emperor, but not as Holy Roman emperor, a title invented centuries later.

While a few people argue that the so-called Holy Roman Empire began with Charlemagne's coronation in 800, the great majority prefer 962, when Pope John XII crowned Otto I. Nobody is quite sure when the word "holy" crept into the emperor's title. Documentary proof seems to be missing before a letter from Emperor Frederick I. Barbarossa in 1157. Emperors after him used the word occasionally, until it became standard with Charles IV (1355-1378) and was continued by all his successors until the fatal date of Aug. 6, 1906. On that day, under pressure from Napoleon, the last Holy Roman emperor, Francis II, abandoned the ancient title and henceforth styled himself merely Francis I, hereditary emperor of Austria.

GORDON GASKILL, Rome.

Chinese Economists Go to Moscow In Latest Sign of Better Relations

By Dusko Doder

Washington Post Service

MOSCOW — China has sent three economic experts on an unofficial visit to the Soviet Union in the first such move in nearly two decades. Political observers interpreted the visit as the latest sign that tensions may be easing between the two Communist giants.

Chinese sources said the three specialists arrived in Moscow 10 days ago as guests of China's ambassador to Moscow, Yang Shouzheng, and are expected to return to Peking later this week. They said the three were to discuss various economic issues, including "Soviet management methods," with Soviet officials and experts.

The three men, whose names were not disclosed, have been

received by Alexander Bachurin, deputy chief of the Soviet State Planning Committee.

The Chinese move followed a public call last month by Soviet Premier Nikolai A. Tikhonov for the resumption of a Chinese-Soviet dialogue. In what appeared to be one of the most positive signals of a thaw in recent years, Mr. Tikhonov asserted that there were no problems between the two countries that could not be resolved "on the basis of equality and in the spirit of mutual understanding."

Diplomatic observers in Moscow said the visit could reflect Peking's current dissatisfaction with President Reagan's foreign policy. They specifically mentioned the prospect of sales of U.S. weapons to the Taiwanese.

Since the outbreak of the Chi-

nese-Soviet feud in the early 1960s, there have been no informal visits to Moscow by the Chinese. Apart from maintaining their respective diplomatic missions, the two sides have met annually to set up their trade list. Trade has been small — about \$400 million in total volume in 1980.

After the outbreak of border hostilities in 1969, negotiations were opened, but were broken off more than three years ago. Moscow proposed last October that the two countries begin talks aimed at improving relations or at the least resume border negotiations.

While the talks were not expected to remove resentments accumulated over two decades, the Soviet Union apparently expects that any easing of tension could negatively influence Chinese relations with the United States.

The U.S.-Chinese rapprochement is viewed in Moscow as the principal threat to the Soviet Union in Asia.

Besides the Soviet overtures, there have been other indications in Moscow that Chinese-Soviet relations have thawed slightly in recent months. Chinese sources said an official described as the head of an institute on foreign policy under the Soviet Ministry of Foreign Affairs visited Peking in January and talked with Chinese Foreign Ministry officials.

There have also been unconfirmed rumors in Moscow that the two sides plan to reopen the border talks soon.

China Reports Giving Work to 6 Million Jobless

The Associated Press

PEKING

Six million unemployed Chinese were given jobs last year, and a number of cities now have full employment, the Chinese news agency reported.

In all, 8 million people received jobs in 1981, the agency said. It said the other 2 million were demobilized soldiers and secondary technical school and college graduates. In the last three years, it added, 26 million people in urban areas have been given jobs.

The agency did not give a figure for nationwide unemployment. Foreign analysts have estimated it could exceed 10 million in an urban labor force of more than 120 million. Of China's 1 billion people, 800 million are peasants. Of the 6 million unemployed who were given jobs last year, 49 percent went to work in collectively owned rather than state-owned businesses, the agency said.

At the end of 1981, it added, China had 1.1 million self-employed workers, engaged mostly in tailoring, catering, repair work and other service trades. The number was up by 300,000 from 1980, it said.

In addition to more jobs in collectively owned businesses and self-employment, light industry and service trades created more job opportunities, the agency said.

Japanese Bestseller Recalls Atrocities of War

Revisionist Books on Period Entertain, Sometimes Shock Public

By Jim Abrams

The Associated Press

TOKYO — The No. 1 bestseller in Japan since early this year has been a blockbuster on Japanese Imperial Army atrocities against prisoners of war during World War II, a tale of horror which testifies that the conflict still gnaws at the national conscience.

"Akuma no Hoshokan" (The Devil's Gluttony) describes the Kwantung Army's top-secret 731st unit, which is believed to have killed as many as 3,000 Chinese, Soviet and Korean prisoners in carrying out a gruesome array of bacteriological and other experiments.

The story told by author Seichi Morimura, a popular writer of best-selling mysteries, is not entirely new. But since its release in December, the book has sold 700,000 copies, the hottest item among several World War II-related books and movies that currently are educating, enlightening and sometimes shocking the Japanese.

By contrast with most material, in which Japan rarely is depicted as a transgressor, Mr. Morimura's book tells in horrifying detail how the germ warfare unit in Manchuria injected victims with typhus, cholera and plague germs, did live dissections, froze prisoners to death in cold-weather tests, conducted venereal disease studies on women, blasted prisoners apart in grenade tests, and, when Soviet

troops arrived at war's end, gassed the last POWs to death.

(An article in the U.S. publication, The Bulletin of the Atomic Scientists, last year claimed that some American prisoners were used in the tests. It said this was confirmed in a 1956 FBI memo, and also said U.S. authorities knew it when they chose not to try the Japanese responsible as war criminals, supposedly in exchange for data obtained in the experiments.)

Popular War Themes

The popularity of war themes is indicated by the fact that Japan's most successful movie last year was "Rengo Kanrai" (The Grand Fleet), a saga of Japan's Navy from Pearl Harbor to the sinking of the superbattleship Yamato in 1945. Its makers, Toho, plan three more World War II films this year.

The rival Toei company will soon release a movie in which the hero is Japan's wartime premier, Gen. Hideki Tojo, who was executed as a war criminal. The film reportedly treats him with relative sympathy.

One major publisher has begun selling a 20-volume detailed history of the Pacific air war, while another offers a 17-volume series of personal war experiences heavily laced with suffering and self-justifications.

Japan's vocal anti-war groups are concerned about what they call the "war boom" and the impres-

sions it may have on Japanese youth, who are taught little about their nation's march to military self-destruction.

"Young people go to war movies today the way we went to American Westerns or samurai films when we were kids," said Ryozo Watanabe, sociology of law professor at Tokyo University. "It's all ancient history to them, with no meaning to their lives."

By contrast to the dry, rather objective tone of such films as the West German picture "Das Boot," a World War II U-boat epic now playing to large audiences in Tokyo, Japanese war movies are "emotional, tragic and tearful," said the daily Asahi Shimbun.

Typical is Toho's soon-to-be-re-

leased "Himeyuri-no-to" (Himeyuri Tower), in which several young female pop stars have leading roles in retelling the well-known story of a group of schoolgirls killed in the U.S. invasion of Okinawa in 1945.

Despite interest in war themes, the Japanese, more than half of whom were born since the 1945 surrender, show little interest in Japan's imperial past, Prof. Watanabe said.

Images of Honeymoon

A survey by the newspaper Yomiuri Shimbun found that only 21 percent of persons in their 20s associated Dec. 8 (Dec. 7 in America) with the start of the Pacific War. For almost a third of those in this age group, the name "Pearl Harbor" first conjures up images of honeymoons and travel, the poll showed.

One battle for the hearts and minds of indifferent youth is being fought over school textbooks, with the conservative government trying to tone down critical accounts of Japan's past and leftist teachers' groups urging more graphic treatment of the war.

Japan's large and active anti-war factions, including novelists and filmmakers, generally condemn war only from the standpoint of Japan's own suffering — 3 million casualties, firebombings of its cities and atomic attacks on Hiroshima and Nagasaki. The Imperial Army's brutal subjugation of much of Asia is seldom mentioned.

Gandhi Suffers Setback As Assam Regime Falls

United Press International

NEW DELHI — The government of the oil-rich state of Assam resigned Thursday, the second state to fall in as many days, in a setback for Prime Minister Indira Gandhi that could force elections in the two states.

Opposition lawmakers pressured the Assamese chief minister, Keshab Gogoi, into submitting his resignation to Gov. Prakash Mohoratra when he lost his majority in the state legislature.

Gov. Mohoratra accepted the resignation and asked Mr. Gogoi to remain in office until other arrangements can be made. The northeast Indian state is most likely to come under presidential rule, which puts it under the direct control of New Delhi until elections can be held.

The chief minister of Kerala state, K. Karumakaram, resigned Wednesday after only 79 days in power, when a member of his coalition defected to join the ranks of

independent legislators, leaving the government one vote short of a majority of the 141 members of the assembly.

The government placed Kerala under presidential rule late Wednesday for the seventh time since India achieved independence from British colonial rule in 1947.

Before they fell, Assam and Kerala were ruled by shaky coalitions led by Mrs. Gandhi's Congress Party.

Mr. Gogoi gave up trying to hold his coalition together after only 65 days in office. The opposition forced a no-confidence motion on charges he had no majority among the 118 members of the house.

Mrs. Gandhi's failure to impose minority governments on the two states amounted to a setback for her party. But since she will control both states under presidential rule, it was not a major blow.

The Congress Party still holds power in 16 of India's 22 states.

Kim Il Sung Festivities Seen as Boost for Son

By Henry Scott Stokes

New York Times Service

SEOUL — Kim Il Sung, the North Korean leader, is preparing a lavish celebration of his 70th birthday next month to pave the way for his son's succession to the leadership, according to South Korean intelligence sources.

Mr. Kim, who has led North Korea since 1945, has already delegated much authority to his 40-year-old son, Kim Jong Il, the intelligence sources said. The high point of the birthday ceremony on April 15, they said, will be the public appearance of the father and son together in front of an audience of 100,000 that will include dignitaries from China, the Soviet Union and the Third World.

"Almost the entire North Korean Cabinet is in orbit right now," said a spokesman for the South Korean Agency for National Security Planning, an intelligence group. "They are traveling in Africa, Central and Latin America and elsewhere, seeking to drum up support." The sources said that the ministers were offering to charter airplanes to bring guests to Pyongyang, the North Korean capital, if they could not otherwise afford to make the trip.

The preparations for the birthday events, the intelligence sources said, include a nationwide refurbishing and polishing of some 30,000 statues and monumental busts of President Kim, including the 70-foot statue of the North Korean leader in Pyongyang.

An urgent program is under way to complete state projects to honor the "great leader," as Mr. Kim is called in North Korea, and to show respect to "hero Kim Jong Il." The title of "hero" was bestowed by the father on the son to



Kim Il Sung

mark the younger Mr. Kim's 40th birthday in February.

Many of the celebrations, which will include gymnastics, mass singing of "hymns" in praise of the two leaders and immense banquets, will be held in newly constructed structures.

In Tokyo, North Korean sources say Kim Jong Il already runs the government in Pyongyang for his father "on a day-to-day basis."

While his father lives, Kim Jong Il is not expected to have absolute power, intelligence officials said. There will be a gradual transfer of authority "over the next five years," according to a spokesman for the Agency for National Security Planning, which was formerly known as the Korean Central Intelligence Agency.

The younger Mr. Kim holds the post of first secretary of the North Korean Communist Party under his father, who is general secretary, and is ranked second in the Politburo to Oh Jin Woo, the defense minister.

Before the April 15 celebrations President Kim is thought likely to appoint his son as a vice president, giving him seniority over three incumbent vice presidents, according to sources here.

South Korean officials said Kim Il Sung's apparent motives in preparing the succession for his son were to guard against a sudden collapse in his reputation after he dies, as happened to Mao in China after 1976 and to Stalin after his death in 1953; to promote a successor who could not turn against him, and to maintain his control over the country even if he should become physically incapacitated.

3 U.K. Commandos Killed

OTTENBURN, England — Three members of a Royal Marine Commando platoon were killed and two were injured seriously Thursday when a mortar exploded accidentally during a training exercise.

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BUSINESS NEWS BRIEFS

Marshall Field Seeks Restraining Order on Icahn

CHICAGO — Marshall Field said Thursday it has filed for a temporary restraining order in a New York court barring broker Carl C. Icahn from making further solicitations or recommendations in opposition to the pending tender offer by Batus unless and until the Icahn group complies with disclosure requirements of the federal securities laws.

Mr. Icahn said Tuesday he would "vigorously contest" the merger agreement. The Batus offer came after Mr. Icahn began purchasing Marshall Field stock.

Marshall Field also said Thursday that it has been advised by Batus, a subsidiary of B.A.T. Industries of London, that it may revise its acquisition offer for the company.

ITT, RCA Move Into Domestic Telex Market

NEW YORK — International Telephone & Telegraph and RCA said in separate announcements they were to begin domestic telex service Thursday following approval by the Federal Communications Commission.

ITT and RCA will begin competing with Western Union which has dominated the domestic market. ITT and RCA gained access to the U.S. market following the repeal of the communications act in December, which also allowed Western Union to move into the international market.

Sony Revises Sales Prediction Downward

TOKYO — Sony expects sales in the current business year ending Oct. 31 to grow about 10 percent to 15 percent compared with last year, a downward revision from an earlier prediction of about 15 percent.

The company said Thursday it shaved the forecast because of sluggish consumer demand and worsening export. It gave no net income forecast.

Branniff, Pan Am Seek S. America Routes Deal

WASHINGTON — Endangered Branniff Airways has agreed to let troubled Pan American World Airways take over virtually all of its South American routes for the next four years in return for at least \$30 million of badly needed cash.

Both money-losing airlines asked the Civil Aeronautics Board to give immediate approval to the deal so that Pan Am could start operating Branniff's South American routes on April 25. Pan Am said Branniff \$7 million Wednesday and will pay another \$13 million to the Dallas-based carrier if the CAB and foreign governments approve the takeover. Another \$10 million will be paid by Pan Am in 1983 and Branniff will get additional payments under a profit-sharing agreement in future years, the announcement said.

Branniff, which lost \$160 million last year, said its "very survival" depended on CAB approval.

New York to Buy Japanese Cars for Subway

NEW YORK — The New York Metropolitan Transportation Authority has signed a \$274.46-million contract with a Japanese company, Kawasaki Heavy Industries, for the purchase of 325 subway cars, described as graffiti-resistant, which will be financed in part by a \$126 million loan from the Japanese government.

The cars, scheduled to begin arriving in December, 1983, will be the first purchased for the New York City subway system from a foreign manufacturer.

Nabisco Makes Offer for Huntley & Palmer

LONDON — Nabisco Brands is considering making an offer for Huntley & Palmer Foods worth over 120p per Huntley & Palmer ordinary share, Nabisco said Thursday. Huntley & Palmer has indicated it plans to recommend the terms, it said.

The Trade Department simultaneously said the Nabisco bid has been referred to the Monopolies Commission, along with Rowntree MacKintosh's earlier offer for Huntley.

Sanyo Puts Off Videodisc Sales Start in Japan

TOKYO — Sanyo Electric said Thursday it has delayed the launch of videodiscs in Japan, scheduled for next month, citing low demand, and would wait to study market trends before deciding a new launching date. Pioneer, which started marketing videodiscs in Japan last October, said it sold an average 4,000 units a month in the 1981 last quarter, but sales have dipped slightly this year.

NYSE Prices Stage Rally on Broad Front

NEW YORK — Prices on the New York Stock Exchange staged a healthy rally Thursday for the first time in a week, with leadership coming from blue chips and the severely depressed technology stocks.

The Dow Jones industrial average closed up 9.42 points at 305.27, its largest gain this month, and advances led declines by a 10-to-4 margin. Volume widened to 54.27 million shares from 48.90 million Wednesday.

Chester Pado of G. Tsai & Co. said the market appeared to find some support at the 795 level on the Dow average.

Mr. Pado said the stage was set for a rally when no significant selling pressure developed after the Dow average closed below the critical 800 level the prior two sessions.

But analysts said the news background is still primarily negative and doubted that the rally will last much longer than two or three days. Mr. Pado was skeptical that the uptrend could extend beyond the 840 level on the Dow average.

Much of the trading was concentrated on blue chip and heavily capitalized stocks, which analysts read as a signal that institutions are re-entering the market.

Merrill Lynch was the volume leader after a block of 1 million shares traded at 25. It closed at 24 1/2.

Other active issues with gains included IBM, up 1/4 to 57 1/2, RCA up 1/4 to 21 1/2, Citicorp up 1/4 to 25 1/2, and Colgate-Palmolive up 1/4 to 18 1/2.

Bargain hunting boosted tech-

nology stocks, which had suffered sharp declines in recent weeks. Active Tandy rose 1 1/2 to 30, Digital Equipment 1 1/2 to 76 1/2, Honeywell 1 1/2 to 67 1/2, Datapoint 1 1/2 to 24 1/2, and Data General 1 1/2 to 32 1/2. Avnet rose 2 1/2 to 44 1/2 after announcing an agreement to distribute IBM computers.

The Commerce Department said

EEC Grants \$470 Million To Cockerill

From Agency Dispatches

BRUSSELS — The European Economic Community Commission has approved a \$470-million aid package for the loss-making Belgian steel giant Cockerill-Sambre, a commission spokesman said Thursday.

But the commission stuck to its earlier decision to reject the company's overall modernization plan, he said. That decision has prompted a strike, now in its fourth week, and a series of violent protests by steelworkers determined to avoid new job losses.

The Belgian government originally requested approval from the commission to pump some \$630 million into the company in order to accomplish a five-year restructuring plan decided last year.

The commission has said the plan, designed to make the company viable by 1985, will lead to continued heavy losses in that year and needs modifications likely to involve further job losses and a reduction in crude steel capacity.

The spokesman said the sum approved was for investments that the commission believes will improve viability and does not involve contested elements of the plan.

Meanwhile, Herbert Gienow, managing board chairman of Klockner-Werke, West Germany's third largest steel group, said Thursday he expects an offer of cooperation from Cockerill-Sambre.

He told a press conference in Duisburg that the Belgian company is interested in more rational use of existing capacity in the Liege-Charleroi region.

Mr. Gienow said no formal proposal had been yet been made, but such cooperation could mean switching steel production to Klockner's Bremen works in exchange for increased Klockner participation in Belgium.

He also said that Klockner would seek government steel aid by the end of June, and will submit a rationalization and modernization program similar to those already proposed by other West German steel firms and involving sharp cuts in crude steel output.

The present situation, in which only some West German firms receive state aid is intolerable, Mr. Gienow said. Krupp Stahl and Eitel-Hoersch Werke became the two most prominent applicants for the program when they announced the merging of their steel production earlier this year.

Klockner has had only minimal state support to date, in regional and technology aid, Mr. Gienow said. He said the unequal application of state aid further exaggerates the distortions to competition in steel stemming from massive national subsidies in other EEC countries.



Michel Jobert, left, foreign trade minister of France, offers his views on Japan-EEC trade to Japanese Premier Zenko Suzuki.

Jobert Says Japanese Risk Increased Trade Barriers

From Agency Dispatches

TOKYO — French Foreign Trade Minister Michel Jobert said Thursday that Japan should move quickly to a free trade system or risk finding markets closed to its exports.

Mr. Jobert said a recent prediction by EEC Commission President Gaston Thorn that Western Europe would limit Japanese imports if the trade imbalance worsens, is "a good bet."

Mr. Jobert is here on a five-day

visit to pave the way for French President Francois Mitterrand's April 14-18 visit, the first by a French leader. The trade minister said Mr. Mitterrand's visit comes at a time when a do-nothing attitude will only worsen Japan-EEC trade relations, but he declined to say if Mr. Mitterrand will offer an initiative to achieve a balance of trade.

"Certainly as the world economic situation worsens, countries [in the West] are being moved in a direction which leads them to hide behind protectionist barriers. But the countries which really desire free trade are also the countries which happen to be the strongest," Mr. Jobert said.

Acknowledging that France has had a protectionist tendency in the past, Mr. Jobert said that since the 1960s it has been developing its business acumen.

Japanese officials have asked Mr. Jobert to reduce French quotas and tariffs on 27 categories of Japanese exports, including a quota that limits imports of Japanese cars to 3 percent of the French market.

France, in turn, has asked for increased imports of French medical equipment, metals, and automobiles.

French statistics show its trade deficit with Japan widened to \$1.7 billion dollars in 1981, up from the previous year's \$1.4 billion. Japanese officials said that if "invisible" trade with France, including tourism, is taken into account then Japan has a small deficit with France.

In New York, the French and

W. Germans, Dutch, Swiss Join in Trimming Key Rates

From Agency Dispatches

FRANKFURT — West Germany, Switzerland and the Netherlands, acting in concert, cut key interest rates Thursday, but dealers said the action did not have any immediate impact on exchange rates.

The Deutsche Bundesbank cut its special Lombard rate to 9 1/2 percent from 10 percent, to take effect Friday.

In Zurich, the Swiss National Bank cut its discount rate to 5 1/2 percent from six percent. And in Amsterdam, the Dutch central bank cut its bank rate to 8 percent from 8 1/2 percent. Both actions were also effective Friday.

A Dutch central bank spokesman said the bank had consulted with the Bundesbank and Swiss National Bank about the cuts. He quoted the president of the Dutch central bank as saying there was always consultation on such matters.

Money dealers had said earlier they believed the Dutch and West German central banks were eager to help the weakening French and Belgian francs and avoid a further and possibly damaging realignment of the European Monetary System.

Continuing Pressure

Belgian Finance Minister Willy de Clercq said later there was no possibility of a further devaluation of the Belgian franc following the 8.5 percent devaluation Feb. 22.

Dealers said they doubted whether either the Belgian or French franc would be devalued soon but said they thought pressure would continue as commercial selling intensified with the approach of the weekend.

While both the French and Belgian francs remained under pressure, the U.S. dollar was linked affected by the cut in the three rates.

Dealers said the dollar remained well underpinned, although it tended to ease a little around midday as Eurodollar deposit rates slipped back to 15 1/16 percent from 15 3/16 percent earlier.

In London, the dollar closed at 2.3780 Deutsche marks, up slightly from Wednesday's 2.3733, and at 1.8877 Swiss francs, up from 1.8830 the day before.

The French franc closed sharply lower in London at 6.220 to the dollar, compared with Wednesday's close of 6.1375. The Belgian franc closed at 44.63 to the dollar after 44.44 Wednesday.

In New York, the French and

Delors Rejects Franc Devaluation As Dollar, Mark Hit Highs in Paris

From Agency Dispatches

PARIS — French Economy Minister Jacques Delors said Thursday that he rejects the possibility of a devaluation of the French franc, noting that improved February trade figures indicate an improving economic situation.

Speaking on French television, Mr. Delors said France had a trade deficit of 5.3 billion francs (\$857 million) in February, compared with a deficit of 7.05 billion francs in January.

The dollar was fixed at 6.1850 francs, its highest rate in recent history, on the Paris Bourse Thursday. The dollar was fixed at 6.1330 francs Wednesday. The Deutsche mark also rose to a new high of 2.6059 francs Thursday, up from 2.5825 francs at Wednesday's closing.

Dealers said the Bank of France intervened massively at the fixing, selling about 300 million DM. The bank also raised the rate on call money to 17 percent from 15 percent and the seven-day discount rate to 18 percent from 15 1/2 percent, as part of its bid to defend the franc, dealers said.

Belgian units continued to lose ground. The French franc fell to 6.2050 per dollar and the Belgian franc fell to 44.74 per dollar.

High U.S. interest rates as European rates drop is one of the main reasons for the dollar's continuing strength. But French President Francois Mitterrand said he believes U.S. policy will lead to a decline in interest rates before June.

Mr. Mitterrand gave the assessment to West German Chancellor

Helmut Schmidt when he briefed him Wednesday by telephone on his visit to Washington last week.

A spokesman for the Bundesbank said Thursday the rate cut represents a continuation of the Bundesbank's plans for a gradual relaxation of monetary policy.

The uncertain conditions in the United States evidently generated some uncertainty among the 17 members of the Bundesbank board. But the decision was said to have been lightened by an easing of West Germany's inflation rate in February, which dropped to 5.8 percent from 6.3 percent the month before.

Money market dealers noted that interbank rates had already come down, a result in part of the Bundesbank's various liquidity measures, including the offer to rediscount commercial bills for 10 days at 9 1/2 percent.

That offer, made a week ago, set in motion speculation that the special Lombard rate would be cut.

The Swiss national bank said the cut reflects developments in the Swiss money market. The last change in the discount rate was Sept. 2, when it was raised to 6 percent from 5 percent.

Swiss money market rates have fallen to between 6 and 6 1/2 percent for interbank deposits with maturities between one and 12 months from peaks of slightly over 10 percent in December and rates of more than 8 percent for all except one-month deposits as late as one month ago.

The Dutch bank rate was last changed Jan. 21 when it was lowered to 8 1/2 percent from 9 percent.

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

Guest, Keen & Nettelfolds			
Year	1981	1980	1979
Revenue	1,840	1,720	1,600
Profits	345	285	265
Per Share	0.00	0.00	0.00

Japan			
1st Quarter	1982	1981	1980
Revenue	1,140	1,090	1,040
Profits	87.47	81.28	75.19
Per Share	0.38	0.37	0.36

United States			
Federated Department Stores			
4th Quarter	1981	1980	1979
Revenue	2,300	2,100	1,900
Profits	230	210	190
Per Share	1.20	1.10	1.00

May Department Stores			
4th Quarter	1981	1980	1979
Revenue	1,110	1,060	1,010
Profits	71.1	67.0	63.0
Per Share	1.00	0.95	0.90

Pillsbury			
3rd Quarter	1981	1980	1979
Revenue	82.1	82.4	82.7
Profits	26.9	21.7	21.7
Per Share	1.24	1.08	1.08

Walter (Jill)			
2nd Quarter	1981	1980	1979
Revenue	497	474.5	459
Profits	7.37	0.39	0.39
Net Loss	1981	1980	1979
Revenue	566.1	566.4	566.4
Profits	18.06	18.06	18.06
Per Share	1.04	1.04	1.04

U.S. Banks Record Increase in Bad Debts

By Julie Salamon

NEW YORK — Polish debt, the troubled U.S. thrift industry and the recession have combined to lengthen the problem-loan lists at many major banks in the United States.

J.P. Morgan & Co., the country's fifth biggest bank holding company, which prides itself on its credit screening, reported that non-performing loans rose more than tripled in 1981 to \$376.9 million, compared with \$110 million a year earlier.

Irving Bank Corp.'s non-performing loans for 1981 rose to \$189 million from \$95 million in 1980.

Manufacturers Hanover's non-performing loans for the year rose 51 percent to \$631 million from \$417 million a year earlier. At Citicorp, the country's second largest bank holding company, the non-performing category grew 30 percent to \$1.04 billion, compared with \$799 million in 1980.

Morgan attributed the increase to loans to Poland, thrift institutions and industrial borrowers. Loans are deemed "non-perform-

ing" when interest has not been paid or accrued, when interest is reduced or deferred, or when collection seems doubtful.

Analysts said the big increases in non-performing loans were expected. "A lot of the non-performers are pretty well known," Poland, International Harvester, the thrifter, said Ronald Mandile, a bank analyst at Blythe Eastman Paine Webber.

At Manufacturers Hanover, whose loans to Poland have been well-publicized, the non-performing category for "loans to foreign governments and official institutions" rose to \$135 million from \$8 million a year ago.

Most banks "haven't been caught blindsided," said James McDermott, a bank analyst at Keefe Bruyette & Woods, a bank consulting firm. Most increased their provision for credit losses taken directly from profit — in 1981 to provide a cushion for loans that must be written off.

Morgan, for example, increased its loan-loss provision for the year to \$237 million from \$214.6 million a year earlier. And, despite the bank's increase in non-performing loans, its recoveries in 1981 exceeded charge-offs for the year.

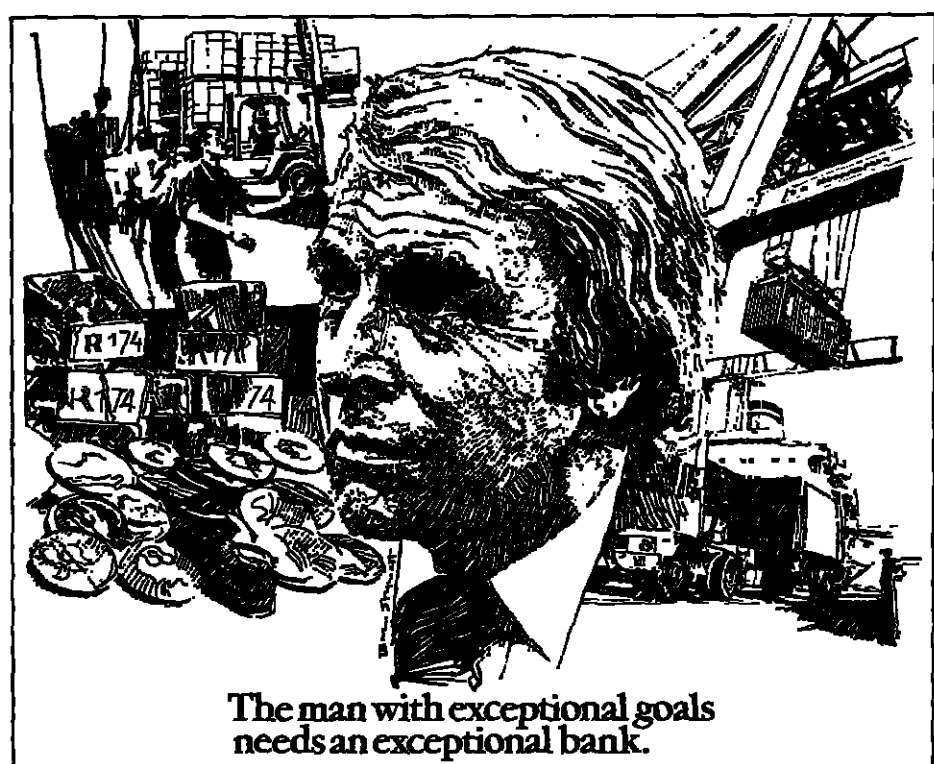
New York banks are not the only ones hit with huge increases in non-performing loans. Bank of America last week reported a near-tripling of problem loans to \$1.6 billion from \$577 million in 1980.

The nation's banks are reporting their year-end non-performing loans in 1981 annual reports, which currently are being distributed. Most of the banks are reluctant to elaborate on the numbers and brief descriptions the annual reports offer on the nature of the problem loans.

The problem loans are not as weighty as they were in the 1974-1975 recession. In Irving, for example, non-performing loans in 1975 reached \$191.2 million, or 3.8 percent of total loans. In 1981, non-performing loans totaled 1.9 percent of total loans.

"The banks should be able to weather the storm," Mr. McDermott said. "Of course, it's what you don't see now that hits you six months down the road."

Banks are bracing themselves for more problems this year. In its annual report, Manufacturers Hanover predicted that net charge-offs for business loans in 1982 will be "slightly higher" than in 1981.



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TDB Holding Group: US\$ 12.1 billion in assets; US\$ 920 million in capital and loan funds employed, as of December 31, 1981.

Group banks: Geneva, London, Paris, Luxembourg, New York (Republic National Bank of New York), Athens, Buenos Aires, Chicago, George Town, Hong Kong, Los Angeles, Miami, Monte Carlo, Montevideo, Nassau, Panama City, Punta del Este, Santiago de Chile, Singapore, Representative offices: Bern, Caracas, Frankfurt, Mexico City, Rio de Janeiro, São Paulo, Tokyo.



Trade Development Bank

Shown at left, head office of Republic National Bank of New York, U.S. subsidiary of the Trade Development Bank Holding Group. Republic banks and sells more gold than any other U.S. bank.

CURRENCY RATES										
Interbank exchange rates for March 18, 1982, excluding bank service charges.										
	\$	DM	F.F.	£	Y.	S.	Sc.	DK	DK	
Amsterdam	2.61	4.77	169.92	49.19	0.2913	17.48	—	24.04	—	
Brussels (a)	46.516	80.44	16.744	27.728	3.407	17.48	—	24.04	—	
Frankfurt	2.274	4.299	—	—	—	—	—	—	—	
London (b)	1.118	—	—	—	—	—	—	—	—	
Paris	1.2925	24.4538	54.135	209.48	4.757	18.88	3.432	14.578	—	
New York	—	1.208	0.4297	0.1678	0.0764	47.12	29.89	48.18	161.26	
Porto	—	1.119	—	—	—	—	—	—	—	
Zurich	1.8947	3.4111	79.405	30.462	0.1446	72.18	4.226	23.93	—	
1 ECU	1.0141	0.5991	2.4906	0.2097	0.12646	2.6018	49.041	1.9864	43.794	
1 SDR	1.0141	0.5991	2.4906	0.2097	0.12646	2.60	—	—	—	

Dollar Values										
	\$	DM	F.F.	£	Y.	S.	Sc.	DK	DK	
Amsterdam	1.0000	1.8256	65.54	16.53	0.0037	0.6191	—	0.9360	—	
Brussels (a)	18.4561	33.0801	7.1429	11.7061	1.4561	0.6191	—	0.9360	—	
Frankfurt	0.8789	1.6111	—	—	—	—	—	—	—	
London (b)	0.4363	—	—	—	—	—	—	—	—	
Paris	0.5012	10.5518	23.3361	93.8061	2.1061	0.7518	0.1361	0.5718	—	
New York	—	0.8789	0.3361	0.1261	0.0518	19.18	12.61	20.18	64.61	
Porto	—	0.4363	—	—	—	—	—	—	—	
Zurich	0.7518	1.3611	30.61	12.18	0.0518	28.61	0.1661	0.6118	—	
1 ECU	1.0000	0.5991	2.4906	0.2097	0.12646	2.6018	49.041	1.9864	43.794	
1 SDR	1.0000	0.5991	2.4906	0.2097	0.12646	2.60	—	—	—	

	\$	DM	F.F.	£	Y.	S.	Sc.	DK	DK	
Amsterdam	1.0000	1.8256	65.54	16.53	0.0037	0.6191	—	0.9360	—	
Brussels (a)	18.4561	33.0801	7.1429	11.7061	1.4561	0.6191	—	0.9360	—	
Frankfurt	0.8789	1.6111	—	—	—	—	—	—	—	
London (b)	0.4363	—	—	—	—	—	—	—	—	
Paris	0.5012	10.5518	23.3361	93.8061	2.1061	0.7518	0.1361	0.5718	—	
New York	—	0.8789	0.3361	0.1261	0.0518	19.18	12.61	20.18	64.61	
Porto	—	0.4363	—	—	—	—	—	—	—	
Zurich	0.7518	1.3611	30.61	12.18	0.0518	28.61	0.1661	0.6118	—	
1 ECU	1.0000	0.5991	2.4906	0.2097	0.12646	2.6018	49.041	1.9864	43.794	
1 SDR	1.0000	0.5991	2.4906	0.2097	0.12646	2.60	—	—	—	

1 SDR = 1.0000 U.S. Dollars

1 ECU = 1.0000 U.S. Dollars

1 SDR = 1.0000 U.S. Dollars

NYSE Nationwide Trading Closing Prices Mar. 18

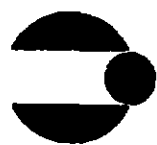
Tables include the nationwide prices up to the closing on Wall Street.

Market Summary									
March 18, 1982									
Dow Jones Averages									
INDUSTRIAL	2,814.12	10.00	2,814.12	10.00	2,814.12	10.00	2,814.12	10.00	2,814.12
COMMODITIES	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00
FINANCIAL	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00
Market Diaries									
NYSE									
NYSE Most Active	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00
NYSE Index									
NYSE Index	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00
Standard & Poors Index									
Standard & Poors Index	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00
AMEX Most Active									
AMEX Most Active	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00
AMEX Stock Index									
AMEX Stock Index	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00
Odd-Lot Trading in N.Y.									
Odd-Lot Trading in N.Y.	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00
Dow Jones Bond Averages									
Dow Jones Bond Averages	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00	0.00	1,000.00

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New Issue

18th March, 1982



TransCanada PipeLines Limited

(incorporated under the laws of Canada)

U.S.\$100,000,000

16 per cent. Notes due 15th March 1992

Issue Price 100 per cent.

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CIBC Limited
Hambros Bank Limited
Nesbitt, Thomson Limited
Société Générale de Banque S.A.
S. G. Warburg & Co. Ltd.

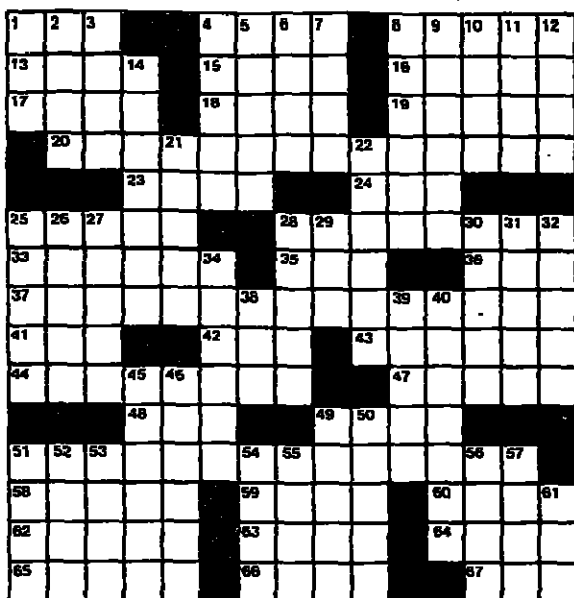
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Deutsche Bank Aktiengesellschaft
Merrill Lynch International & Co.
Orion Royal Bank Limited
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Copenhagen Handelsbank County Bank Limited Creditanstalt-Bankverein Crédit Commercial de France
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Dean Witter Reynolds Overseas Ltd. Den norske Creditbank DG Bank Deutsche Genossenschaftsbank
Deutsche Girozentrale-Deutsche Kommunalbank Dominion Securities Ames Limited
Dresdner Bank Aktiengesellschaft Euromobiliare European Banking Company Limited
Gefins International Limited Genossenschaftliche Zentralbank AG-Vienna
Girozentrale und Bank der Österreichischen Sparkassen Aktiengesellschaft Goldman Sachs International Corp.
Handelsbank N.W. (Overseas) Limited Hill Samuel & Co. Limited Kansallis-Osake-Pankki
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Westdeutsche Landesbank Girozentrale Yamaichi International (Europe) Limited

100,000,000

CROSSWORD

Edited by Eugene T. Muleska



- ACROSS**
- 1 "Simple" letters
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8 "Bad guy" followers
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15 The same to Seneca
16 Cinched
17 Red letters
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3 Noted country singer
4 Bride of July 1981
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6 Designer Chapman
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9 Kind of bandit
10 Put under contract
11 Marine fish
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14 Tony of tennis
15 Olga's rival in the 70's
21 Worked hard
25 Studied "the joint"
26 Ant that can fly
27 TV group
28 Reagan adviser
29 Wood-trimming tool
30 Underground group
31 Ancient, old style
32 South follower
34 Rostand's "smooty" hero
38 Saul's uncle or grandfather
39 Lyndon's U.N. delegate
40 Elsa was one
45 Toxicophile
46 Small elms
49 Steve of TV
50 Spectacle
51 Cart of baseball
52 Rib donor
53 Door inscription
54 Politician-labor leader
55 Creator of Mrs. Sarah Battle
56 Lane of The Daily Planet
57 Transude
61 Not used

WEATHER

	HIGH	LOW		HIGH	LOW
ALABAMA	17	11	SEATTLE	52	37
ALASKA	18	10	SPRINGFIELD	50	35
ARIZONA	64	30	ST. LOUIS	50	35
ARKANSAS	64	30	ST. PAUL	50	35
CALIFORNIA	64	30	TAMPA	74	60
COLORADO	64	30	TENNESSEE	50	35
CONNECTICUT	64	30	TEXAS	64	30
DELAWARE	64	30	UTAH	64	30
FLORIDA	64	30	VERMONT	50	35
GEORGIA	64	30	VIRGINIA	50	35
ILLINOIS	64	30	WASHINGTON	50	35
INDIANA	64	30	WISCONSIN	50	35
IOWA	64	30	WYOMING	64	30
KANSAS	64	30			
KENTUCKY	64	30			
LOUISIANA	64	30			
MAINE	50	35			
MARYLAND	64	30			
MASSACHUSETTS	64	30			
MICHIGAN	64	30			
MINNESOTA	64	30			
MISSISSIPPI	64	30			
MISSOURI	64	30			
MONTANA	64	30			
NEBRASKA	64	30			
NEVADA	64	30			
NEW HAMPSHIRE	50	35			
NEW JERSEY	64	30			
NEW MEXICO	64	30			
NEW YORK	64	30			
NORTH CAROLINA	64	30			
NORTH DAKOTA	64	30			
OHIO	64	30			
OKLAHOMA	64	30			
OREGON	64	30			
PENNSYLVANIA	64	30			
RHODE ISLAND	64	30			
SOUTH CAROLINA	64	30			
SOUTH DAKOTA	64	30			
TENNESSEE	50	35			
TEXAS	64	30			
UTAH	64	30			
VERMONT	50	35			
VIRGINIA	50	35			
WASHINGTON	50	35			
WISCONSIN	50	35			
WYOMING	64	30			

ADVERTISEMENT

INTERNATIONAL FUNDS

March 18, 1982

The net asset value quotations shown below are supplied by the Funds listed with the permission of the Investment Company Institute. The figures are based on the net asset value of the fund as of the close of business on the preceding business day. The figures are not necessarily indicative of the results that may be realized by an investor.

FUND NAME | ASSET VALUE | FUND NAME | ASSET VALUE

BANK OF AMERICA FUNDS | \$1.00 | BANK OF AMERICA FUNDS | \$1.00

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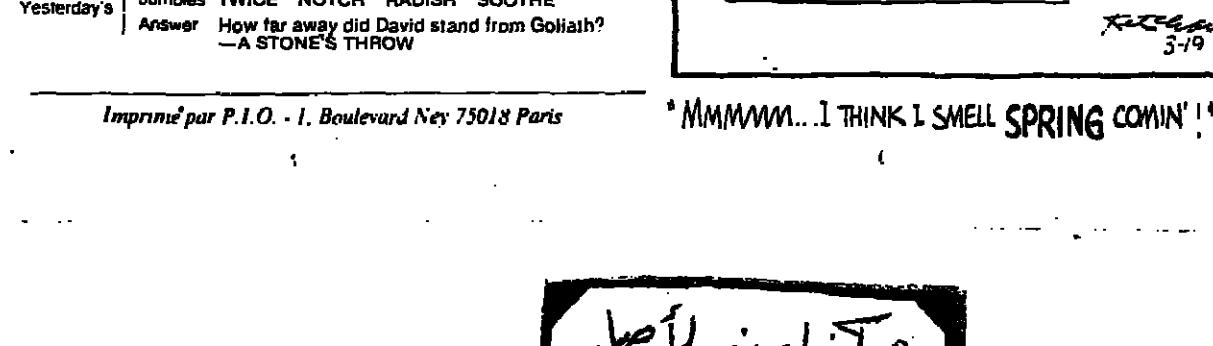
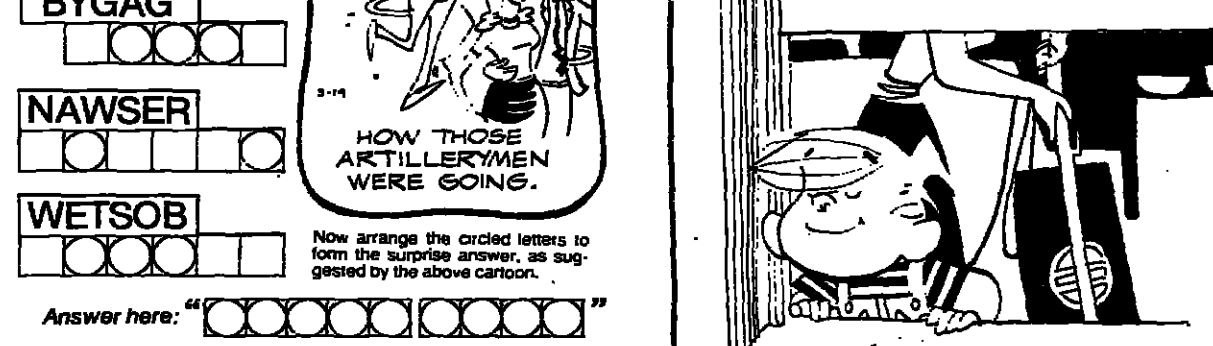
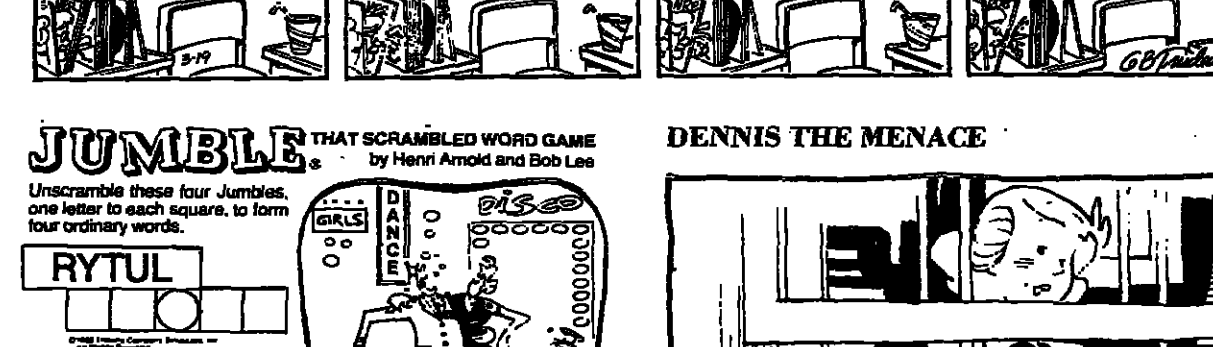
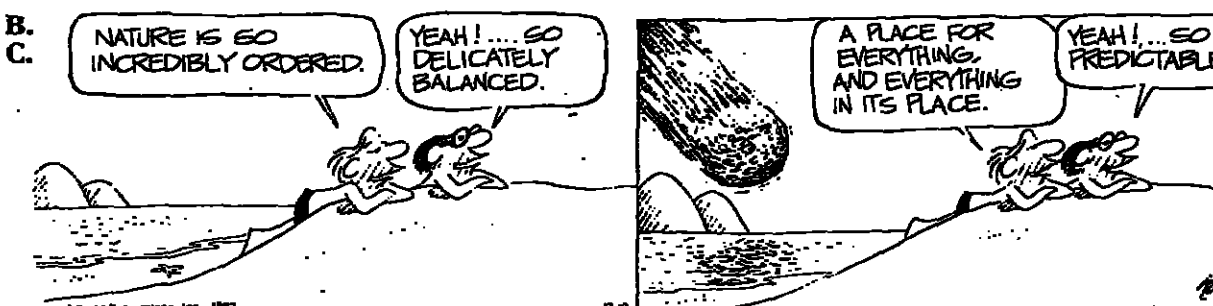
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BANK OF AMERICA FUNDS | \$1.00 | BANK OF AMERICA FUNDS | \$1.00



BOOKS

AH, BUT YOUR LAND IS BEAUTIFUL

By Alan Paton. 271 pp. \$12.95. Scribners, 597 Fifth Avenue, New York 10017.

Reviewed by Judith Chertle

WE TOO easily forget that a handful of novels have done more to concentrate the mind of the public on particular wrongs than all the speeches of politicians or the reports of congressional committees. "Uncle Tom's Cabin" illuminated the evils of slavery more vividly than all the sober facts gathered by abolitionist societies. The novels of Charles Dickens aroused the conscience of Victorian England. And in this small group there must surely be Alan Paton's "Cry, the Beloved Country," which made the racial inequities of South Africa a matter of international concern.

Evolution of Apartheid

Now, he has written "Ah, But Your Land is Beautiful," a novel that deals perceptively with the evolution of apartheid in the 1950s. The first volume of a projected trilogy, the book begins where the first volume of his autobiography "Towards the Mountains" left off. It is a vivid and telling picture of the period, freed from the confines of footnotes and consideration for the feelings of friends and colleagues. Paton the novelist ranges widely through those years.

Unlike that period in the United States, the '50s in South Africa was a period of ferment, of political activity and of protest, as the National Party, newly in power, hastened to redress Afrikaner grievances and to legislate and enforce the separation of the races. Paton's book begins with the Campaign of Defiance and ends with the appointment of Hendrik Verwoerd, the intellectual architect of separate development, as prime minister.

Alan Paton, as a founder and a leading member of the Liberal Party (formed in 1953 and forced out of existence by the Political Interference Act of 1968) is, of course, not unbiased, but he is uniquely qualified to write of this time. He was friendly with many of the public figures who appear in the book—Chief Albert Lutuli, Archbishop Geoffrey Clifton, Father Huddleston and Helen Joseph—is knowledgeable about Afrikaner attitudes and was intimately involved in some of the political activity he describes.

In creating a cast of fictional characters whose roles will be familiar to readers of other South African novels, Paton comes perilously close to cliché: the beautiful, dedicated political activist, Prem Bodasing; the conscientious and idealistic headmaster Robert Mankie; the Afrikaner civil servant whose letters to his aunt attempt to address her fears about the direction the Afrikaners are taking; the pathologically vicious letterwriter "Proud White Christian Woman"; and Emmanuel Nene, the black man of unshakable good cheer and faith. Like a medieval morality play, which relied heavily on unchanging dramatic personae because the central message was considered more important, Paton's novel is peopled with characters whose familiar outlines underscore the point of the book. Yet Paton gives them a life of their own; they are not just puppets to be manipulated at will.

Acts passed by parliament are in Paton's hands no longer dry promulgations, but the agents of crisis for his characters. An Afrikaner intellectual commits suicide after he is caught with a black shop assistant in violation of the Immorality Act; an idealistic young couple, the Indian girl Prem and the white Hugh Mainwaring, must choose between renouncing their love for each other or marrying abroad, condemned to permanent exile. The climate engendered by these laws is also reflected in the career of a prominent judge, blighted because he participated in the "Washing of the

Feet Service" at a black church; and the reluctant departure for Australia of the liberal Mansfield family, leaving because threats and violent incidents lead to a nervous breakdown in one of their children.

It would be an easy indictment of apartheid merely to relate such incidents, but Paton also shows the understandable fears that cause people to support the system, to avoid political participation or to keep silent. He once said in a speech:

"There is one thing that has I believe so far made my writing acceptable, and that is that I have not about man's fears. I believe that one may write at such a level that men look at themselves sorrowfully instead of looking at the writer vengefully."

By balancing these fears against the suffering, and interspersing his story with accounts of individual acts of courage and kindness, Paton has given a more accurate and humane picture of South Africa at that period than a more sensational piece written in horror could do. It is to Paton's enormous credit, both as a man and as a writer, that he has always been scrupulously fair, and this book reflects it. He writes, as George Orwell once said of someone else about what people do feel, not what they ought to feel.

No Central Character

There is no central character in the book. Perhaps because he was too intimately involved in those years, Paton seems to have found it difficult to choose one particular man or woman to define the events. This is a considerable weakness. Nor is the book's structure entirely satisfactory. The scenes are short and change with bewildering rapidity, and keeping track of his characters is not always easy. But perhaps in the end it is South Africa itself, the beautiful land, the entity for whose sake all this anguish and these fears, the debate and the persecution is endured, which is the central character.

It is, however, the land and not the landscape that dominates. "Cry, the Beloved Country" was distinguished by a lyrical poignancy and an ecstatic love for the land. Writing in his 70s, Paton is no less aware of the beauty, but perhaps because he is impatient to get the story down, landscapes are given short shrift. It is a pity.

In "Ah, But Your Land is Beautiful" Paton celebrates those who chose to oppose the onslaught of apartheid and pities those whose fears kept them silent or on the other side of the historic conflict. If Carlyle was right in believing that history is the essence of innumerable biographies, then Alan Paton may have come closer to conveying the essence of South African history than anyone else.

Judith Chertle is a Washington writer. She wrote this review for The Washington Post's Book World.

Life on the Dnieper With Tom Sawyer And Gek Finn

United Press International

MOSCOW — Soviet filmmakers have turned the Dnieper River into the Mississippi for a three-hour television version of "The Adventures of Tom Sawyer."

"We relate to Mark Twain as we do to Tolstoy or to any of our own classics," the director, Stanislav Govorukhin, said. "We value every letter."

Russian makes Huck's name sound like "Gyckleberry," but the signs in camera range are in English, reflecting months of research by Valentin Godyanov, the designer, who could not visit the United States for inspiration. Except for some misspellings — "sagars" for "diggers" — the result is a convincing mock-up of a 19th-century U.S. small town.

"We built an entire town to look just like it would have in that faraway country long ago," said the producer, Galina Boyvchenko, of the Odessa Film Studios.

The authenticity included the boys' costumes. "Going barefoot hurt at first, but they got used to it," said Larissa Stukova, whose son, Fedya, 9, plays Tom.

BRIDGE

By Alan Truscott

THERE are some dramatic defensive plays that are part of the expert repertory but would never be considered by an average performer. One of them is the play of the trump king by a player who knows that the ace is on his right and the queen on his left.

If South, on the diagrammed deal, had simply charged into game when his opening spade bid was raised, he would not doubt have succeeded, for West would have led club heart. But the actual auction disclosed that South held club length, and West did well by leading a heart.

South won with the king and led a low club. West ducked and the nine was captured by the ten. East should

have shifted to a trump, but he led the diamond queen. After winning with the ace and leading the club queen, South seemed on the road to success. West ruffed in dummy, sure that one of the top honors was his right. He threw the diamond ten on the heart ace, and ruffed a heart. He tried to cash his diamond king, but West ruffed and had to lead in this position:

NORTH			
♠ Q8			
♥ 106			
♦ —			
♣ —			
WEST			
♠ K7			
♥ J8			
♦ —			
♣ AK			
EAST			
♠ 95			
♥ QJ3			
♦ —			
♣ 10			
SOUTH			
♠ AK63			
♥ —			
♦ —			
♣ QJ			

The defense needed two more tricks, and West demonstrated the way to get them: He led the spade king. South won, but was helpless. However he played, he had to lose two club tricks, or a club and a trump. Ruffing a club with the spade queen in dummy would revive the jack in West's hand.

The spade jack would not have served West's aims, for South would have ruffed one club and would not have lost a trump trick. And with any other return from West, South would have ruffed both West's clubs.

Neither side was vulnerable. The bidding:

South	West	North	East
1♠	Pass	2♠	Pass
3♠	Pass	4♠	Pass
Pass	Pass	Pass	Pass

West led the heart three.

MMMWWW... I THINK I SMELL SPRING COMIN'!

JOE, in LIT

Martin Looks Backward, Forward As His A's Practice in the Desert

By Dave Anderson
New York Times Service

PHOENIX — Under a desert sun, the Oakland A's were taking batting practice when Billy Martin, wearing a green vinyl jacket over his uniform, strolled past the grandstand. Seeing the A's manager, an elderly man called "papa" and hurried down to the front row with a baseball and a pen. Martin obliged with an autograph.

"Thanks," the man said. "But you losing to the Yankees last year cost me \$100, don't you forget it."

"It cost me \$22,000," Martin snapped, looking up with a still smile. "And don't you forget it."

Martin meant the difference between a projected winning World Series share of \$36,000 and the \$14,341 the A's received as losers of the American League championship series.

"If we'd beaten the Yankees, we'd have won the Series, too," he said, his mustache twitching. "I believe our right-handed pitching would've been too much for the Dodgers."

But rather than look back, Mar-

tin preferred to look ahead to this season.

"The Yankees are beatable now," he said. "They're not the same club. And our club's stronger. The Yankees have more speed, but not too much power."

"Can the Yankees win the Eastern Division with speed?"

"That depends on the manager," he said, alluding to Bob Lemon. "Speed's no good unless you take chances."

Less Color

The A's will wear conventional white or gray uniforms this season rather than the solid green or solid gold tops with white pants that Charles O. Finley introduced.

"We've got more depth this year with Davey Lopes at second base, Joe Rudi at first against left-handers and Dan Meyer as a left-handed DH," the A's manager said. "And we've got all our good prospects here so I can look at everybody. I got to make trades, too. I can't go by paperwork on who's good and who isn't."

For the first time in his stormy career, Martin's manager has been able to co-exist peacefully with his general manager — Martin.

"You don't have that guy who questions you about your personnel," Martin explained, apparently speaking of other general managers he has known. "That guy just looks at stats, he don't know. But when I judge a player, I go by what I see and know."

Martin has talked of just being the A's general manager someday. Clete Boyer, his third-base coach, would ascend to the manager's role.

"Most people probably think it'd be hard for my manager to work for me, but those people don't understand me," Martin said. "I'd be easy to work for, because I know what the manager would be going through. Managing takes a lot out of you. You're always thinking. You can't relax. I'd talk to my manager a lot, but I'd be easy to work for."

Farewell to New York

"If you win the World Series," he was asked, "would you stay managing them?"

"I'd give it some thought then," he replied. "But one thing's sure, I'll never go back to the Yankees to manage. I'll be in Oakland the rest of my life."

Now that Reggie Jackson is with the California Angels, they loom as a threat to the A's in the American League West.

"The Angels are a lot tougher, especially if they get some pitching," Martin acknowledged. "Texas will be good, Chicago will be good, Kansas City will be good. But the other day I let the Angels know I don't want them intimidating my players this year like they tried to do last season. We had two big fights with the Angels last season. Nobody likes to see fights, but what I don't like is the guys who

break it up are the ones who always seem to get hurt."

Martin brandished catcher Ed Ott and outfielder Dan Ford, recently traded to Baltimore, as the Angels' instigators. "Ott stuck out his foot and tripped Dwayne Murphy, that started one," he recalled. "In the other one, Ford hit a home run and my catcher, Mike Heath, grabbed Ford's bat to show the umpire there had to be a call in it. And when Ford came around, he grabbed it back. But a week later, Ford's bat broke in half and they found cork in it."

Baseball rules prohibit the insertion of cork in a bat.

"After the first fight, Ott told everybody how I should've kept out of it because I'm only 153 pounds," Martin said, his eyes flashing.

"Don't he know I beat up guys bigger than him? Don't he know a little honey bee can chase a 1,500-pound bull?"

NBA Standings

EASTERN CONFERENCE		WESTERN CONFERENCE	
Atlantic Division		Pacific Division	
Philadelphia	W 1, L 2, Pct. .058	San Antonio	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	Phoenix	W 1, L 2, Pct. .058
Indiana	W 1, L 2, Pct. .058	Portland	W 1, L 2, Pct. .058
New York	W 1, L 2, Pct. .058	Seattle	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	Utah	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	Los Angeles	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	Golden State	W 1, L 2, Pct. .058
San Antonio	W 1, L 2, Pct. .058	San Diego	W 1, L 2, Pct. .058
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San Antonio	W 1, L 2, Pct. .058	Seattle	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	Utah	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	Los Angeles	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	Golden State	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	San Diego	W 1, L 2, Pct. .058
San Antonio	W 1, L 2, Pct. .058	Phoenix	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	Portland	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	Seattle	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	Utah	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	Los Angeles	W 1, L 2, Pct. .058
San Antonio	W 1, L 2, Pct. .058	Golden State	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	San Diego	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	Phoenix	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	Portland	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	Seattle	W 1, L 2, Pct. .058
San Antonio	W 1, L 2, Pct. .058	Utah	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	Los Angeles	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	Golden State	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	San Diego	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	Phoenix	W 1, L 2, Pct. .058
San Antonio	W 1, L 2, Pct. .058	Portland	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	Seattle	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	Utah	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	Los Angeles	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	Golden State	W 1, L 2, Pct. .058
San Antonio	W 1, L 2, Pct. .058	San Diego	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	Phoenix	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	Portland	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	Seattle	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	Utah	W 1, L 2, Pct. .058
San Antonio	W 1, L 2, Pct. .058	Los Angeles	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	Golden State	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	San Diego	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	Phoenix	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	Portland	W 1, L 2, Pct. .058
San Antonio	W 1, L 2, Pct. .058	Seattle	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	Utah	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	Los Angeles	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	Golden State	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	San Diego	W 1, L 2, Pct. .058
San Antonio	W 1, L 2, Pct. .058	Phoenix	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	Portland	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	Seattle	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	Utah	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	Los Angeles	W 1, L 2, Pct. .058
San Antonio	W 1, L 2, Pct. .058	Golden State	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	San Diego	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	Phoenix	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	Portland	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	Seattle	W 1, L 2, Pct. .058
San Antonio	W 1, L 2, Pct. .058	Utah	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	Los Angeles	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	Golden State	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	San Diego	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	Phoenix	W 1, L 2, Pct. .058
San Antonio	W 1, L 2, Pct. .058	Portland	W 1, L 2, Pct. .058
Washington	W 1, L 2, Pct. .058	Seattle	W 1, L 2, Pct. .058
Chicago	W 1, L 2, Pct. .058	Utah	W 1, L 2, Pct. .058
Cleveland	W 1, L 2, Pct. .058	Los Angeles	W 1, L 2, Pct. .058
Minnesota	W 1, L 2, Pct. .058	Golden State	W 1, L 2, Pct. .058
San Antonio			

